LEGISLATIVE COUNCIL.

Wednesday, November 19, 1952.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2 p.m. and read prayers.

QUESTION.

NEW EAST-WEST PASSENGER TRAIN.

The Hon. K. E. J. BARDOLPH—Yesterday I asked the Chief Secretary a question about the special East-West train which proceeded from Port Augusta to Kalgoorlie on Tuesday and whether the Government had been invited. Can he say who paid the cost of the special train from Adelaide to Port Pirie to take the guests so that they could board the train on Tuesday?

The Hon. A. L. McEWIN—I am not in a position to answer the question. I think it is a Commonwealth matter and had nothing to do with the State, but I will obtain the information for the honourable member.

COMPANIES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from November 12. Page 1251.)

The Hon. C. R. CUDMORE (Central No. 2)—I support the second reading of this very small Bill which contains some quite sensible amendments to the Companies Act, which were explained by Mr. Anthoney in introducing the measure. Clause 6, which amends section 307 of the principal Act, is the only controversial provision and I am not in favour of it. I think perhaps the shortest and simplest way would be to ask in Committee that the clause be deleted, when I will explain it. The other clauses are necessary amendments to the Act.

The Hon. R. J. RUDALL (Attorney-General)—I shall limit my remarks entirely to clause 6 because I am in sympathy with the remaining clauses. In view of what has been said, I am satisfied from investigation that both the sponsor of the Bill in the House of Assembly and the Registrar of Companies were under the impression that clause 6 had been brought under my notice and had my approval, but that is not the position. The question is not a new one so far as I am concerned. I realize the difficulties associated with it and I think the best course to adopt is that suggested by Mr. Cudmore. I feel that the clause is not satisfactory and should be deleted and further time given to see whether the difficulties connected with it can be overcome.

Bill read a second time.

In Committee.

Clauses 1 to 5 passed.

Clause 6—"Outstanding assessments of defunct company to vest in Registrar."

The Hon. C. R. CUDMORE—Briefly I shall explain why I think we should not include the clause. It was suggested, in putting the clause forward, that the Registrar was handling moneys in a defunct company and this matter should be brought into line with section 299 of the Companies Act. Subsection 4 of that section states:—

> Any person claiming to be entitled to any money paid to the Registrar to the credit of the Companies Liquidation Account, may apply to the Registrar for payment thereof, and the Registrar may, on a certificate by the liquidator that the person is entitled or otherwise being satisfied that the claimant is so entitled make an order for the payment to that person of the sum due.

The Companies Act has four sections relating to defunct companies. Section 306, which was talked about a great deal in another place, gives the Registrar power to execute documents, discharge mortgages and so forth where, in a defunct company, there is no-one to do any of those things; he has power to do these administrative acts to get the property into his control. Section 307 refers to the outstanding assets of the defunct company. They are to vest in the Registrar and he may then sell them or dispose of them, or he may not. Under section 308 the proceeds of any sale are to be paid into court and the court will decide who is to receive them. Proposed new subsection (2) says:—

> (2) Any person claiming to be entitled to any such property vested in the Registrar as aforesaid may apply to the Registrar for the transfer or assignment to him of the property, and the Registrar may if he is satisfied that that person is so entitled transfer or assign the property to that person.

That, to me, means that the Registrar is to be made a judicial authority; he is not to wait to see whether there are other claimants. New subsection (3) says:—

> (3) Any persons dissatisfied with the decision of the Registrar in respect of a claim made in pursuance of subsection (2) of this section, may appeal to the court.

But when the money has gone it is rather late to appeal to the court. New subsection (4) is as follows:—

> (4) Where any property transferred or assigned to any claimant under subsection (2) of this section is afterwards claimed by any other person the registrar shall not be responsible for the transfer or assignment of the same, but such person may have recourse against the claimant to whom the registrar has transferred or assigned the property.

and (5) is a definition of the transfer of property as follows:—

(5) In this section "transfer of property" includes payment of money, and "to transfer" property includes to pay money.

It was suggested in another place that property had nothing to do with money, but it has. This is a rather dangerous provision and one which might well be examined further before it is included in the Act. The remainder of the Bill consists of simple logical amendments to the Act, but clause 6 is of doubtful benefit and may, in certain circumstances, be dangerous. In the case of a company in liquidation the payment is made on the certificate of the liquidator, but in this it simply leaves the Registrar as the person to decide, and therefore I suggest we delete this clause. This is a private Bill, but if the Government thinks some provision of this nature is necessary, and drafts something suitable, well and good.

The Hon. F. T. PERRY—I cannot conceive that a clause of this nature would have been introduced without some reason, but that reason has not been made clear by the sponsor. Although this is not a Government Bill it comes here evidently with the sanction of the Registrar of Companies. I do not know, for example, when money is held indefinitely, whether the liquidator is at fault, but it seems to me that the sponsor of the Bill would not have included it without some reason and consequently before we reject the clause I think the Minister should offer some explanation as to why we should.

The Hon. R. J. RUDALL (Attorney-General)—When a company is defunct the property goes to the Registrar of Companies, but often there are people who are the owners of shares which have never been registered in the Share Book, and they suddenly discover that they have a claim after the company is defunct. Again another company may take over the defunct company and desire to issue the shares to the original shareholders. Then the Registrar may find that he cannot transfer those shares because the shares in the defunct company have never been registered. His problem is that although he may be satisfied that the transferee is genuine he has no power under the Act to transfer those shares, and therefore he desires to have this power. The difficulties in the matter are two. Firstly, it is very difficult to know in some cases whether the person holding the shares is the real transferee because there is nothing to prove it on the certificate, or there may have been some mistake.

The Hon. C. R. Cudmore—Or he may have transferred them to someone else.

The Hon. R. J. RUDALL—Yes, and the difficulties of administration can be realized. The Registrar of Companies wants discretion to do it but in the clause he seeks exemption from any liability in connection with a transfer. That is the difficulty I was faced with when I considered the matter some months ago. Why should not the Registrar be made responsible, because if he made a mistake it would not be on account of the negligence of someone else and if he were liable any expense would not devolve upon him but would come as a payment from taxpayers? The Registrar would be acting for the Government as an official. Although there is merit in what he seeks the clause does not sufficiently protect the position and the Registrar should not be exempt from liability.

Clause negatived.

Clause 7 and title passed.

Bill reported with an amendment and Committee's report adopted.

SUCCESSION DUTIES ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. R. J. RUDALL (Attorney-General) I move—

That this Bill be now read a second time.

Its main purpose is to increase the rate of succession duties in pursuance of the Government's policy of maintaining a balanced budget. At the same time the Government has taken the opportunity of introducing a smoother progression in the rates of duty, and of giving additional concessions to widows and children succeeding to small estates. The Government is advised that the present South Australian duties are considerably less severe in their incidence than those of the eastern States. In the other States the rate of duty depends on the total value of the estate of the deceased, whereas the rate of duty under our Act depends on the value of the individual shares of the deceased's property taken by the various beneficiaries. In order to raise the severity of our rates to the average of the eastern States an increase of approximately 20 per cent is necessary.

If our duties are maintained at low rates relatively to the eastern States it is to be expected that the Grants Commission, in accordance with its usual practice, will reduce our grant accordingly. The Government therefore feels obliged to seek increases in these duties. The increases proposed vary according to the relationship between the deceased person and the person deriving property from him. As members know there are at present three scales of succession duty. The first applies to property taken by a widow, widower, descendant, or ancestor of the deceased. The duties in this scale vary from 1½ per cent to 20 per cent of the value of the property, with a provision for half rates where the person succeeding to the property is the widow or a child under 21 of the deceased and the estate does not exceed £3,000.

The second scale is that applicable to property passing to collateral relatives (*e.g.*, brothers, sisters, nephews and nieces of the deceased) and these rates vary from 1 per cent to 25 per cent. The third scale is that applicable to property passing to strangers in blood, and the rates in this scale vary from 10 per cent to 25 per cent. In lieu of the present scales four new ones are proposed in the Bill.

The first is applicable to widows, and children under 21. Under this scale property not exceeding £2,800 is entirely exempt. On property above £2,800 and below £15,000 the duties are slightly lower than those proposed on property passing to widowers, ancestors and descendants; and on property above £15,000 the rates are the same as those proposed in respect of property passing to such persons. The second new scale prescribes the duties on property passing to widowers, ancestors and descendants. They vary from 5 per cent to 25 per cent of the value of the property, and are from 20 per cent to 25 per cent higher than the present rates. The third scale sets out the duties on property passing to collateral relations. The duties proposed are from 5 per cent to 30 per cent of the value of the property, and are from 25 per cent to 30 per cent higher than those now being charged. The fourth scale is that applicable where property passes to strangers in blood. These duties are from 10 per cent to 30 per cent of the value of the property, and are from 35 per cent to 40 per cent higher than the present rates.

Looking at the matter as a whole the result of the new rates will be to make the average severity of our duties about the same as that of the eastern States, though widows and lineal relatives are, on the whole, more liberally treated. The new scales have been devised so as to secure a smooth progression in the amount of duties as the value of the property goes higher. Under the existing system large increases in duty occur at certain points in the scale, *e.g.*, a stranger in blood pays 10 per cent on £4,999 and 15 per cent on £5,000 so that an extra £1 in the value of the property makes a difference of £250 in the amount of duty. This is avoided in the new scales.

In the Bill the same scales of duty will apply both to property taken under wills and intestacies and to other dutiable gifts and benefits. In the present Act there are separate scales but for some years there has been no difference between the rates of duty on the various classes of successions and gifts, so the opportunity has now been taken to combine the scales.

The other amendments, with two exceptions, are consequential or minor amendments not affecting the policy of the Act. The amendment in clause 10, however, may be separately mentioned. Under section 51 of the principal Act interest on unpaid duty is chargeable as from the expiration of three months after the duty first became chargeable, unless the amount of duty was not assessed within that period. The Commissioner has no power to postpone the day from which interest runs, either on the ground of hardship or any other ground, unless there was a delay in assessment. Cases often occur in which the persons concerned facilitate an early assessment, but owing to illness or other difficulties a delay in payment occurs. It is desirable that there should be some power to relax the requirements as to payment of interest in such cases. It has also been pointed out that it is often not possible, particularly in the larger estates, to do all the work necessary for the assessment and payment of duty in so short a period as three months. An amendment is therefore included in the Bill so that interest will run only from the expiration of six months after the duty first became chargeable, and so that the Commissioner shall have power to postpone the day from which interest runs if reasonable cause exists for doing so.

In another place an amendment was inserted in the Bill to provide a flat rate of duty, namely, 10 per cent, on property given for certain named purposes which, in law, would fall within the definition of charities. Apart from this concession the rate of duty on this property might be as high as 30 per cent. The gifts to which the concession applies are gifts

for religious, public scientific or public educational purposes in the State or to a public hospital or benevolent institution or public benevolent society. Since the amendment was made the Government has examined it with some care and is of opinion that the use of the word "public" throughout the amendment might lead to difficulties of interpretation. For example, would a gift to a church school be for public educational purposes? Or would a gift to a hospital conducted by a church be a public hospital? Numerous questions of this kind might arise. It is desirable, therefore, that the Bill should be a little more specific on these questions and for this reason the Government will propose some amendments designed to remove ambiguities without interfering with the spirit of the clause. I point out that the Bill was foreshadowed when the Budget was introduced and this Chamber, when it passed the Budget, agreed to the expenditure shown in the Estimates. In passing them members must have known that in order to get the money to pay for the expenditure foreshadowed the Estimates would necessarily have to be passed.

Immediately the Commonwealth Grants Commission is mentioned there seems to be a feeling that it is dictating to the Government and Parliament what they should do. I do not want members to adopt that attitude towards the Grants Commission, but it would be extremely foolish for the Government or Parliament not to realize that the Commission exists and that it exists to give us what is known as a "disabilities grant." That is its whole purpose. That money has got to come from taxation paid by people in the larger States. That is why the term "eastern States" is used by the Grants Commission; they include Queensland, New South Wales and Victoria. Those States do not have succession duties, but pay estate duties. We collect succession duties because we believe they are fairer in their incidence. People in the eastern States pay more under estate duties than we will under the increased succession duties. How could any member of this Parliament, if he were a member of the Grants Commission, justify paying to South Australia money which was supplied by the taxpayers in other States when we were not paying comparable rates of taxation?

The Hon. K. E. J. Bardolph—Isn't it wrapped up in income tax?

The Hon. R. J. RUDALL—No, it is wrapped up in taxation generally, and at present people in the larger States pay higher rates under estate duties than we will pay under succession duties.

The Hon. C. R. Cudmore—Every beneficiary will share equally.

The Hon. R. J. RUDALL—Not exactly, but it is much fairer for an individual to pay on the actual amount he receives. If any member were on the Grants Commission he could not justify a grant to South Australia if we refused to pay less than was being paid by the taxpayers in another State. It that were so, members can see that South Australia would not only lose the revenue provided under the Bill, but an additional amount because our grant would be cut by the Commission.

The Hon. K. E. J. Bardolph—Isn't the pooling of taxation under Commonwealth control?

The Hon. R. J. RUDALL—It comes from Commonwealth taxation, but the burden of taxation that a State pays in estate duties falls on taxpayers in the eastern States. I hope that members will realize when the Grants Commission is mentioned that it would be foolish not to take account of the fact that it is in operation and of the way it operates.

The Hon. F. T. Perry—Did the Grants Commission point this out?

The Hon. R. J. RUDALL—Yes.

The Hon. S. C. Bevan—In other words, the Commission is dictating the policy we should follow?

The Hon. R. J. RUDALL—No, we are not compelled to do that, but if we do not we will not only lose this revenue but will be mulct in some other way. We have increased expenditure to meet, expenditure that we have sanctioned in the Estimates, and this money is sought so that we can pay our way—and that is what a Government has to do.

The Hon. F. J. CONDON (Leader of the Opposition)—When the Appropriation Bill was before the Council members had an opportunity of discussing succession duties and therefore, having passed the Appropriation Bill, it is our fault we missed any opportunity of challenging proposals set out in the Bill. The matter has not been sprung on the Council, but according to some members it would appear that it has been and that they have had no opportunity of discussing it. When the Commonwealth retires from the income tax field the Government will be disappointed. It has for some time strongly stressed a desire that income taxation should revert to the various States, but today it is not too happy about it and is looking around for other avenues of

revenue. If taxation reverts to the State I do not think we will get the deal we are getting today; we will only get what the Federal Government will leave us.

The Hon. E. Anthoney—What do you mean by that?

The Hon. F. J. CONDON—The Commonwealth will get the first bite of taxation. It has control over the Postal Department and many others and it will see that it gets first pick and we get what is left. The Bill is most debatable. I am prepared to listen to members who can show me where sufficient taxation can be collected to make up any deficiency. We had an instance last night when a number of members strongly objected to a section of the people being called upon to pay increased land tax. It was all hot air. Members said they opposed the Bill, but when it came to the point nothing was done—which is exactly what will happen on this occasion. It is all talk and no results. The Government is out to explore every avenue for getting additional revenue.

The Hon. C. R. Cudmore—Do you want to increase the winnings tax?

The Hon. F. J. CONDON—No, that is a sectional tax if ever there was one. Mr. Cudmore has referred to it as an iniquitous tax on a certain section without regard for anybody who does not attend a certain type of sport. Under the Bill extra revenue will depend on how many people die. The Government is responsible for finding the necessary money to continue its functions. We talk about cutting our suits according to our cloth, but it is idle to talk in that way without taking some action. We should not remain silent on a Bill at a crucial moment. When the Government wants to increase taxation it goes to the Grants Commission. How often have we heard it said here that if increased taxation is not granted somebody will have something to say? We heard that talk when it was proposed to increase railway freights and again when it came to betting legislation. Those are only two of many instances where the Government said that we would not receive the same consideration from the Grants Commission as we have been receiving if we did not do something ourselves. No-one can deny that. Let us be honest about it. Certain people have advocated reduced taxation, but how can we have it in the present circumstances? It is all very well for any Party at an election to say that if it is returned it will reduce taxation; it is impossible, so let us be honest and say that we have to do something to balance the Budget. No-one wants increased taxation, but what is the alternative? That question was asked last night and someone suggested using the pruning knife at Roseworthy College. By how much would that relieve the situation?

The Hon. E. Anthoney—That was only one suggestion. The honourable member himself has submitted many others.

The Hon. F. J. CONDON—But how far does it take us; it is merely a drop in the ocean. Despite all that has been said I think we have received fair treatment from the Commonwealth Grants Commission. This year South Australia will receive £11,600,000 under the tax reimbursement arrangement, which is £1,400,000 more than last year. Admittedly that is not a matter for the Grants Commission, but it has now recommended to the Federal Government a special grant to this State for this financial year of £6,343,000, or £1,785,000 more than last year. We have always had fair consideration and I feel sure that if this State is faced with difficulties over which it has no control the Grants Commission will treat it fairly. A colossal sum is collected in succession duties. It seems harsh that a thrifty man, who is able to build up a business and save a considerable amount, should be taxed on his money while he is alive, and for the same money to have to bear succession duty when he dies. In 1949-50 the amount paid in succession duties was £824,936. In 1950-51, £996,768, and by 1951-52, it had increased to £1,081,552. I do not think it is a correct method of extracting money from the people, and if anyone can show me an alternative I am prepared to consider it.

The Hon. F. T. Perry—What about making some of our public services pay?

The Hon. F. J. CONDON—To do that involves increasing charges. The Auditor-General's report shows that a start could be made in many places. Consider the colossal sum which has to be met out of revenue for our water systems and railways, to mention only two. However, there are many facets of the question to be considered, and all round charges of such magnitude as to make all services pay might not be in the best interests of the State. Unless a satisfactory alternative for raising more revenue can be suggested I will support the second reading.

The Hon. C. D. ROWE (Midland)—As honourable members know, the Act provides that upon the death of a person a certain proportion of his estate shall be paid to the Government by way of duty. The effect of the

amendment is to provide that in some cases there shall be a reduction in the amount of duty payable, but in the majority of cases there shall be increases. It is important for members to realize that not only is succession duty payable upon a person's death, but also Federal estate duty under the Federal Estate Duty Act. The rates of duty payable by beneficiaries are set out in the third schedule of the Act. The second schedule sets out the rates payable where a property passes to a widow, widower, or a descendant or ancestor of the deceased, and the following schedule covers cases where a property passes to a brother or sister or to a descendant of a brother or sister, and the rate in that case is slightly higher than that when it passes to an immediate descendant. The rates applicable where the property passes to a stranger in blood are still higher.

To understand the operation of the Succession Duties Act and the Federal Estate Duty Act it is important to know that under the former the rate of duty is determined by the amount each beneficiary receives. For instance, if a person leaves a net estate of £10,000 to be divided between his wife and three children on an equal basis, the rate applicable for succession duty purposes is that which is applicable to £2,500. The rate of duty is determined not by the net value of the whole estate, but by the exact amount which each beneficiary receives. On the other hand, the Federal Estate Duty Act operates on a different basis, and the duty is determined by the net value of the whole estate. These two different methods of assessing duty must be kept in mind in determining what the present Bill proposes. It does not alter the basis of duty being assessed on the amount received by each individual, but makes certain other alterations. The first is that under the Bill a person can leave up to £2,800 to his wife or child without any succession duty being payable. When the original Act was passed it was considered reasonable that a house would be worth £500, but with the decreased value of money it is now thought not unreasonable for a house to be worth at least £2,800. Therefore, the Bill proposes to increase the exemption to that amount. That position is covered in the second schedule. The present Act also applies certain rates between certain fixed amounts for each beneficiary. For instance, the duty payable in the case of an estate left to a wife or a child is 1½ per cent on amounts between £500 and £700, 2 per cent on amounts between £700 and £1,000 and 9 per cent between £10,000 and £15,000.

The Bill makes a desirable amendment to that system providing for a slow increase in the rate to be charged in respect of amounts received by a beneficiary. In other words, instead of people who receive between £500 and £700 paying 1½ per cent there will be a gradual increase. That will overcome a difficulty with which we are faced when the Commissioner makes an assessment for duty and reaches a stage whereby if he can find another £100 assets in the estate or increase its value by that amount, it will have to pay a higher duty. That sometimes causes conflict and delay between the public and the Commissioner. In some respects succession duties create very great hardship and I am sorry that the Bill proposes increases. I feel that we have an obligation to encourage thrift as much as possible.

I have taken out some figures because I think that the younger generation are faced with a more difficult problem than the older generation, who lived the best part of their lives when taxation was not so high and it was easier to accumulate a reasonably sized nest egg to leave for their children. The position which faces a young man who is trying, by his own efforts, to build up an estate to provide for his wife and children is exceedingly difficult today. Let me take the case of a man whose taxable income is £1,000, after deductions have been made for maintenance of his wife and two children, medical expenses and insurance. He will pay £148 10s. in income tax, leaving him approximately £850 out of his £1,000. If he spends £550, which is approximately the basic wage, in living, it means that he has £300 a year for saving. If he saves that for, say 30 years, he will have accumulated £9,000.

The Hon. R. J. Rudall—That is not allowing for interest on the accumulated money.

The Hon. C. D. ROWE—No, but if he gets interest he will have to pay income tax on it. If he invests that money at 4½ per cent it will return him a net income of £405 a year, on which he will pay about £40 income tax, leaving him with a little more than £350 a year. The old age pension for a man today is £175 10s. a year, so that a man and his wife living on the old age pension will collect £351, whereas the man who has worked for 30 years and tried to save £300 a year will get only the same amount and is not as well off at the end of that period as a man and his wife in receipt of

the old age pension. Members will see how we are penalizing a person who is trying to do something for himself. Moreover, if he leaves that £9,000 to his wife, £875 will go in succession duties and £220 in Federal estate duties. Out of the £9,000 we take more than £1,000 in State and Federal duties, but we pay a pensioner £10 towards the cost of his funeral. We need to be careful when providing for increases in succession duties. It must be remembered that not only has a person to provide for succession duty and Federal estate duty at death, but frequently fairly heavy medical expenses have to be paid. There are other expenses connected with the administration of an estate, such as a trustee's commission and solicitor's fees. Also, it generally happens that there is income tax to be paid.

The Hon. R. J. Rudall—That would not be paid out of the £9,000, but would be a debt on the estate.

The Hon. C. D. ROWE—That is so, but other expenses have to be met. It has been said that there are only two things of which we are certain, one being death and the other taxation. Although we have a fair idea as to when the income tax assessment will arrive we have no idea when we will be called upon to meet succession duties. Take a net estate of £10,000, which would represent perhaps the estate of an ordinary person in the community who has a house property, not an elaborate one, worth between £4,000 and £5,000. Perhaps he has a motor car worth £1,000 and an insurance policy worth £2,000. Large numbers of people find themselves with an estate worth £10,000 net. Under the Bill it will cost £1,025 in succession duties.

The Hon. R. J. Rudall—If he leaves it all to his wife.

The Hon. C. D. ROWE—Yes. A widow possessing a home and a motor car, with a few pounds in the bank, probably would find great difficulty in meeting an account for £1,025. I have had some unfortunate experiences where the amount of succession duty has had to be found unexpectedly and therefore I am reluctant to agree to any increase in the rates.

Other difficulties arise in connection with the administration of the Act and on occasions have created hardship. It is interesting to note that a daughter-in-law is a stranger in blood for succession duty purposes. I am thinking of a case where the son of a person was killed in the war, leaving a widow and children. The son's father desires to leave part of his estate, which he would have left to his son, to his widow but if he does he will incur the stranger in blood rates of duty, which increase the rate payable.

The Hon. S. C. Bevan—He had better do it before he dies.

The Hon. C. D. ROWE—That is all very well, but he needs money to provide for himself while he lives. He must keep sufficient assets in his own name for that purpose. Another aspect as regards succession duties is that we are approaching fairly difficult times. When assets have risen in value and we are passing through an inflationary period the tendency is for them to increase between the date of death and the date that duty has to be paid. We are reaching a stage when there is a decline in values and we are faced with the position where the assessed value of an estate on the day of death will be more than its value when the time comes for the payment of duty. I have in mind an estate in which I am interested, the owner of which possessed a motor car which would be worth about £750. He died last January and although we are just now reaching the question of payment of duty the Taxation Commissioner says that the car was worth £850 last January and he requires it to be shown at that value, notwithstanding that there has been a fall of about £100 in the value of the vehicle at that date. A general fall must occur in land values and other things.

The Bill will work most harshly on thrifty people who have struggled and worked hard to set a proper example to their families and provide for them. Surely those who have probably not received any social service assistance should be considered. There is good reason for our not agreeing to the increases proposed. I realize, however, following on Mr. Condon's statement that as we have already passed the Budget and knew the amounts estimated to be received from the proposed increase in succession duties and did not object, we might be doing wrong in objecting now. Since the Budget has been built up on this basis and must be balanced we must agree to the increases, but I propose to move a new clause to provide that the rates of duty shall apply to duty becoming payable not later than December, 1953. Thereafter, unless Parliament otherwise provides, the rates in force immediately before the enactment of this Bill shall again come into force. That will not embarrass the Government this year and will give us a longer time to see if there is any other means by which the revenue needed can be provided.

The Hon. S. C. BEVAN (Central No. 1)—The purpose of this Bill is to increase succession duty on a graduated scale. The Attorney-General referred to certain facts relating to the Commonwealth Grants Commission and I interpreted his remarks to mean that the commission was not dictating our attitude on this Bill and that we should divorce our minds from that thought. It appears to me, however, that there is a strong connection, because the Treasurer is reported to have said that if we do not pass this measure in order to increase the State's revenue by about £200,000 and thereby balance the Budget, the Commonwealth Grants Commission would almost certainly penalize South Australia in next year's grant. He also said that this State has already been subjected to an adverse adjustment to the extent of £150,000. Apparently the grant would be reduced *pro rata,* so it appears clear to me that the Commonwealth already dictates the financial policy that we adopt.

The Hon. C. R. Cudmore—That is what you want, isn't it?

The Hon. S. C. BEVAN—I suggest that we are no longer a sovereign State. Members are faced with the realization that if we do not raise revenue *pro rata* with that of New South Wales, Victoria and Queensland, the Commonwealth Government will undoubtedly penalize us.

The Hon. K. E. J. Bardolph—The commission has virtually said so in its report.

The Hon. S. C. BEVAN—On the Treasurer's own admission we are being penalized and therefore the Commonwealth is dictating to the State.

The Hon. R. J. Rudall—But the Grants Commission is not the Commonwealth Government.

The Hon. S. C. BEVAN—I appreciate that, but the Commonwealth Government has a tremendous influence on the commission and there is no doubt that it will carry out the policies of that Government from time to time. This measure extends concessions to people who inherit small estates, that is, widows, or to children under 21 years of age, by the raising of the exemption from £500 to £2,800. Although at first glance that is an appreciable concession, in the light of present-day values it is not so great and barely covers the value of an ordinary small cottage. People have other things, such as furniture and other goods, so the exemption would soon be absorbed. A wage-earner works all his life to save sufficient to provide a home for the comfort of himself and family and for his old age and during the whole of his working life he pays income tax on his weekly earnings. When he dies his widow may have to meet heavy expense and even have to find additional money to pay succession duties. I therefore feel that the £2,800 exemption should be increased to at least £4,000 because of present-day values.

Where the husband is the survivor the same circumstances prevail, and when he dies and leaves his property to a brother or sister the exemption does not exceed £500. This is a negligible amount and should also be increased. I hope that before the measure is passed my suggestions will be acceded to. I realize the State's financial position and that more revenue must be found, but I think the position of wage-earners should be recognized.

Sitting suspended from 5.45 to 7.45 p.m.

The Hon. A. J. MELROSE (Midland)—I do not suppose anyone tonight expects me to give very enthusiastic support to this measure, because of all the taxes that are obnoxious to me I think the succession and estate duties are the worst. It has always seemed to me an obnoxious tax and, however much the Government may plead at the moment that they need the money raised from this tax to help fill the gap in their commitments, I do not feel moved to allow my hardened heart to melt and I am afraid I cannot bring myself to give it any enthusiastic support. I do not fail to realize that in any State taxes must be levied and revenue raised in order that the management of the State for the benefit of its citizens may be maintained. I am not prepared to go into details of what taxes are best suited for that purpose; I realize there are two fields—direct tax and indirect tax and that the latter is largely paid more or less unconsciously. In so far as taxes can be spread equitably in small amounts over many people rather than in heavy sums on a few people, they will be supported by the people with greater equanimity.

Of the more obvious of the direct taxes I suppose income tax leads the field. One can easily become accustomed to the idea that when one has earned his income and received the crop of his year's efforts he should be prepared to surrender part of it according to his ability to contribute towards revenue. One has had the money, knows what he has got and realizes what he has to surrender in the way of sharing his profits for the benefit of the community and as a contribution towards its general welfare. That is a principle easily subscribed to by small taxpayers. I

do not say that people pay their income tax gladly but it can generally be said that where the incidence is heaviest a sufficient amount is still left to enable a person to live in reasonable comfort. There is sufficient left for him to safeguard his responsibilities, and by "comfort" I also mean security. On the other end of the taxation scale the daily wage earner still has enough to enjoy a high standard of living, which proves that income tax is fairly well accepted by the people and if spread with reasonable equitability it is quite a fair tax.

I have many objections to the succession duties and one relates to the unexpected nature of death. If death occurs in the expected form at the end of a long life, any provision that is made to meet succession duties must be made by practically freezing quite a substantial amount of assets, and considering the whole State an enormous amount of assets is virtually frozen out of production and I doubt if that is a good thing. It might be argued that if all that money were freed to be put into industry a greater degree of wealth would be produced to the State than arises from the benefits from the direct collection of the tax. In regard to land—and that is what I have been associated with all my life—I always feel that heavy succession duties militate aganist that sense of security of tenure which is the real basis of good land management. Good land management necessitates the ploughing back into it of as much as possible of the surplus revenue that is derived from it. In this particular walk of life son succeeds father more than in any other walk and that is why it is so important that surplus revenue should always be ploughed back into primary industry. We have heard a lot from those who know a great deal, and those who think they do, about the wasting asset represented by land.

In South Australia we are making great progress in reclaiming land but in some parts the wastage is absolutely terrifying. What is embraced by the general term of land erosion is vastly more extensive than most people realize. I have seen a good deal of Australia and few parts outside the rain forest are not already badly depreciated. The security of tenure of land means that one can, with a sense of safety, plough back surplus profits so that when that land passes from father to son it will have been maintained in its original condition or restored to a better condition than that to which it was reduced through the ignorance of the early holders who did not know soil as we know it nor the climatic impact upon bad soil management.

A spectacular rise in capital value of land has already posed a problem in regard to succession duties. Land of practically every variety has at least doubled in its market value during the last few years and the case easily arises, to my mind, of a family which owns an estate and has no other considerable assets and that estate has provided a reasonable living for the family but when the father has died the value of that estate is vastly greater than was visualized by him because of the depreciation of the pound and the present demand for land. His executives are faced with the colossal task of raising duty and it is beyond their capabilities. The same arises in the case of an unexpected death of a breadwinner who is struck down in the prime of life and the whole of his business is in a developmental stage and he has no assets other than that business and the goodwill associated with it. Whatever good he has done must be brought to earth if it has to be sacrificed to find the cash to pay the succession duties.

In this Bill it is proposed that the first £2,800 of an estate shall be free of duty and I presume that that is meant to represent the value of a modest home. We all know that that is quite inadequate. In the suburbs where a total asset might only be a house, as distinct from a small farm or productive piece of land, that home would be worth between £3,000 and £4,000 and if we are going to make that gesture to the widow of a wage earner, who through life-long economy and care has eventually become the free possessor or his home, then that amount should be increased to between £3,000 and £4,000. There is another aspect of succession duties that I think the Government should give serious consideration to and that is the acceptance of Government bonds at face value in payment of duty. There would have to be a condition that the bonds were taken up as an original subscription and not purchased at a big discount on the stock exchange. No-one would suggest that but if anyone, in making provision to pay this tax, were, in effect, to lend the money in advance to the Government, then the Government should accept the surrender of that debt as a settlement of the tax. That would enable people to make provision in plenty of time to meet the eventuality of expected or unexpected death. It would not unduly tie up money out of production, and it would also

obviate the sacrifice of assets. In an endeavour to meet these death duties one must either have made preparations by freezing considerable sums of good live money for years—it must be enormous in the case of the State—in order to pay cash on the nail in settlement or throw vast amounts of assets on to the market and sell them for what they will bring.

Experience in Stock Exchange dealings makes one realize at once that it does not take a great body of any denomination of shares, put on the market injudiciously, to knock the market down as well as depreciate the value of shares held by other shareholders. I think I have said briefly what I think of various aspects of the Bill. I shall not give it enthusiastic support, but rather will not give it any support as it strikes against all that I think is right and just in taxation.

The Hon. Sir WALLACE SANDFORD (Central No. 2)—Although I agree with all that Mr. Melrose has said there are other ways in which this Bill affects my mind. Speaking earlier, Mr. Condon referred to the fact that the Appropriation Bill had been hurried through and asked what was to be done about it. Some members, including myself, protested and I also objected to another taxation Bill that we dealt with yesterday. It is very regrettable that, at the end of a session when the life of Parliament has only a few hours to run, we should be confronted with subjects of this magnitude. I think we would reach a conclusion fairly happily on a matter like this if we had the time, but it is extremely difficult when we are running against the clock.

Reference has been made by more than one member to the time when we chased what we called the "taxation pound," where the central Government collected for everybody and handed out, by calculation, the share it was considered belonged to the States. It has been claimed that the Grants Commission will disapprove if the Parliament resists this legislation. Other members have said what I am going to say now—that I do not give very much weight to that. Those who have seen the commission in action and have bothered themselves to read its report every year will agree with me when I say that not only South Australia but all claimant States feel fairly well satisfied and are adequately assured that they will not even be harshly dealt with.

The Hon. A. L. McEwin—Isn't that the position now?

The Hon. Sir WALLACE SANDFORD—I have not seen any great change yet. The personnel of the commission has changed considerably; none of the three original members is on it today. Certain views have been acquired by members of the commission in their travels through claimant States and they have expressed them in their reports. It would be extremely unlikely, and I do not know that it would be very satisfactory; if it were attempted to establish too rigid a method of calculation. I remind members that these are special grants, in which we are particularly interested, that are handed out from uniform taxation to the States. We have spent a lot of that money, and one cannot look at the position without realizing that it will require most careful management. I repudiate any suggestion that our finances are unsound. We have been fairly wise in our expenditure, although we have built up our Budget to nearly £50,000,000. We inhabit a wonderful part of the world and have only to visit foreign lands to realize that we are most fortunate.

If there is one outstanding danger facing the world today it is the possibility of a general food shortage. That may not occur for years, but it might come in a few years. As long as we manage our country well and proceed along the right lines we must continue to prosper. The Waite Agricultural Research Institute and the C.S.I.R.O. are both contributing towards increased production of goods and foodstuffs, of which the rest of the world is likely to be short. That makes our position more secure than ever. The time to see that we do not over-spend is when our finances are buoyant. Nobody in office or business can expect to go through life unscathed; we all make blunders, but we hope to make successes too. There is no need for pessimism in looking over our past and saying we should not have done this or that. I think we will continue to find the Grants Commission reasonable and kindly disposed to a struggling State like South Australia. Members of the commission are very well informed.

The Hon. A. L. McEwin—They work on figures rather than on sentiment.

The Hon. Sir WALLACE SANDFORD—I am inclined to think also the commission is sentimentally inclined. I had personal experience of it and found that all members realize that South Australia is up against it in the matter of rainfall. That, after all, is requirement No. 1. We are still nearly 2in. below the average rainfall and we have nothing to throw

our hats up about. South Australia is an extremely dry place in more ways than one, only 8.67 per cent of the State's area getting more than 15in. of rain. We, as well as members of the Grants Commission, realize that and recognize that we are up against problems and face the necessity of big expenditure. Further water reticulation schemes are required, all of which demand capital. Under the Bill we are being asked to find £200,000. That does not sound much in view of our annual revenue and expenditure. It is astonishing what an unexpected occurrence such as, for instance, the Mediterranean fruit fly can mean to the State. That cost us about £581,000, and the £200,000 sought to be raised under this measure is less than half of that sum. We remember also that we had quite a struggle in this Chamber regarding the acquisition of the Adelaide Electric Supply Coy, and recall the enthusiasm which some of those around us displayed about what was going to happen.

The PRESIDENT—I think the honourable member is drifting a fair distance away from the Succession Duties Bill.

The Hon. Sir WALLACE SANDFORD—I will not pursue that line of thought any further, but I was endeavouring to show that the amount involved in this Bill is not very large compared with some other heavier expenditure we have undertaken. Nevertheless, that does not make me like this type of taxation. It deals with capital, and capital should be handled with great care. Income is replaceable, but capital not so easily, and I have always considered that so long as one kept an eye on the capital account of any undertaking, although there might be losses and bad times, there would probably be good times as well and one would not get far off the track. I do not feel that I can accept this Bill easily. I understand that an amendment may be introduced which may make one feel a little more secure, but even then I view the whole matter with great concern and apprehension.

The Hon. S. C. Bevan—That would only make one wish not to die within the next 12 months.

The Hon. Sir WALLACE SANDFORD—It also makes one wonder what we are going to do when that term expires. That this is a matter in which everyone is concerned is shown by the fact that practically every member has either spoken or intends to do so, and I have no more that I can offer but to say that I am sorry indeed that the necessity has arisen for yet further taxation. I think this is the least attractive method and I cannot support the Bill, which is just a direct capital levy.

The Hon. K. E. J. BARDOLPH (Central No. 1)—I want to make my position clear, as the Leader of the Opposition has done. I was always under the impression that State Parliaments had sovereign rights and powers, but by the introduction of this measure I am convinced that those powers which we thought sacrosanct have been delegated to a commission.

The Hon. E. Anthoney—They went with uniform taxation.

The Hon. K. E. J. BARDOLPH—They went earlier than that as I will show. The Federal Parliament can only continue in existence by our conceding certain rights and powers. I find now that those powers no longer exist and as a State we are dictated to by a commission which has no responsibility to any Parliament—State or Federal—however laudable its work may be. It lays down the taxation dicta which must be observed by the claimant States.

The Hon. Sir Wallace Sandford—It only makes recommendations.

The Hon. F. T. Perry—And elicits facts.

The Hon. K. E. J. BARDOLPH—I hope I will be able to convince even Mr. Perry about the facts it elicits, but it lays down the financial policy which the claimant States must follow before they receive their just rights under section 96 of the Constitution—before we can obtain the grants due to us for our disabilities under Federation. It is the investigating authority for the Commonwealth Government. It had its genesis in the Surplus Revenue Act of 1910, just seven years after Federation. The framers of the Federal Constitution realized that the various States would suffer disabilities and with great foresight, made that provision. The provisions of section 87 of the Constitution were terminated by the passing of the Surplus Revenue Act of 1910 which provided, *inter alia*, for the following scheme of payments to operate as from July 1, 1910:—

(1) The Commonwealth to pay by monthly instalments or apply to the payment of interest on debts of the States taken over by the Commonwealth an annual sum amounting to 25s. per head of the number of people of the State.

The Hon. C. R. Cudmore—You realize that all that is customs money and not death duties.

The Hon. K. E. J. BARDOLPH—The sovereign powers of the States with regard to certain taxation were handed to the Commonwealth, and that provision was made by the framers

of the Constitution in order that the disabilities which they anticipated could be overcome. Then we had the Financial Agreement of 1926 under which the Commonwealth Government took over all the debts of the various States and constituted itself the complete borrowing authority for all the States. We have now reached the stage in representative Government when we must decide whether we believe in the continuance of the British system of Government or in the totalitarian State, which is creeping upon us by the edicts of these boards and commissions, and a halt must be made. It is all so much eyewash for members to say that there is no dictation to the State by the Grants Commission. I remind them that the Treasurer, who, with his Treasury officials, negotiates these matters with the Grants Commission, has stated that "This State was subject to an adverse adjustment to the extent of £150,000 in its grant from the Commonwealth Grants Commission because our rate of succession duty is lower than that paid in the eastern States."

The Hon. A. L. McEwin—That is a statement of fact, but it does not suggest a dictatorship.

The Hon. K. E. J. BARDOLPH—I do not deny that it is a statement of fact, but it fortifies my argument that the Grants Commission is dictating to the State Parliament what taxation it shall apply in order to receive grants under section 96. The Treasurer also said that if our duties are maintained at a lower rate relative to that of the eastern States it is to be expected that the commission, in accordance with its usual practice, will reduce our grant accordingly.

The Hon. C. R. Cudmore—Tell us when and where he said that.

The Hon. K. E. J. BARDOLPH—On his second reading speech in introducing a similar measure in another place.

The Hon. E. Anthoney—What is wrong with it?

The Hon. K. E. J. BARDOLPH—It confirms the opinion which I and other members of the Opposition hold that this policy is being dictated by an outside authority which has no responsibility to the people of this country, and that this Government is becoming subservient because it is a State which suffers disabilities. I realize that members will suggest that it is a creation of Parliament but when an auxiliary authority is created it is not a superior authority over its creator.

The Hon. E. Anthoney—It only recommends, and Parliament approves or otherwise.

The Hon. K. E. J. BARDOLPH—It does not, because if the honourable member reads the nineteenth report of the Commonwealth Grants Commission he will see the special formula they adopt in making payments to a State. On page 45 of that report it is stated:—

The undertaking given by the commission regarding the treatment of the war-time reserves of the non-claimant States was limited to the question of deferred maintenance. In its Thirteenth Report, the commission stated that justifiable expenditure by the claimant States on deferred maintenance in post-war years would be allowed because the commission had disallowed amounts set aside by the claimant States during the war years to meet deferred maintenance. The commission said, however, that the size of reserves set aside in the standard States could not be taken as a guide to the expenditure which would be considered justifiable by a claimant State. The commission also said that, if any part of the reserves set aside by the non-claimant States were spent on items of a capital nature, this fact would have to be considered.

Is that not dictating the policy of finance so far as claimant States are concerned without paying due regard to section 96 of the Federal Constitution? Another portion of the report reads:—

Information has been obtained as to the number, value and manner of distribution of estates dutiable in South Australia, Western Australia and Tasmania. By applying to these estates a standard schedule of rates, based upon those levied in the non-claimant States, a standard of duty assessable has been deduced. The ratio between this standard duty and the duty actually assessable by a claimant State, when related to the revenue collected by that State from duty on property during the year 1950-51, provides the adjustment required. In the case of South Australia, the assessment of contingent interests at the highest rate, with the consequent need of refunds, is taken into account.

The Hon. C. R. Cudmore—Do you understand what that means?

The Hon. K. E. J. BARDOLPH—Yes, but I realize the honourable member does not and I will tell him how it operates as clearly defined in the paragraph. The commission considers the budgetary expenditure of all States—non-claimant and claimant—and strikes a ratio and, if this State's taxation is not comparable with the non-claimant States in various avenues, then before the commission makes a grant it issues a edict. We had an instance last year relating to the increase in railway fares and freights because our rates were not comparable with those obtaining in the non-claimant States. It will be interesting to

quote the amounts for which the commission has virtually been responsible by way of bolstering up State taxation.

The Hon. C. D. Rowe—Does the honourable member want to say anything about succession duty?

The Hon. K. E. J. BARDOLPH—This all relates to succession duty because I am dealing with the Grants Commission's report which refers to it. I do not need advice or prompting from the honourable member. For the year 1950-51 the amount raised in South Australia on motor taxation was £1,459,000, estate duties were £997,000, stamp duties £779,000, land tax £282,000, liquor tax £43,000, and racing tax £408,000. Members will remember that the winnings tax was introduced because of an intimation from the Grants Commission that unless revenue was raised from taxation imposed on avenues which were not being pursued by the Government it would not consider our claims. The total actual revenue for that year was £4,052,000 of which South Australia received an adjustment from the commission amounting to £195,000. Probate succession duties for 1947-48 were £583,543 for 1948-49 £772,360, and for 1949-50, £824,936. There has been no estimate of what the anticipated amount will be for this year.

The Hon. R. J. Rudall—It was mentioned in the Budget speech.

The Hon. K. E. J. BARDOLPH—It was shown as an overall amount. The total tax, including tax on land, motors, racing and stamp duties, for the year 1947-48 was £2,286,520, for 1948-49 £2,870,034, and for 1949-50 £3,295,322. I support this measure but take exception to the Grants Commission, or any commission, dictating to any Parliament, irrespective of its political complexion, what shall be done and what avenues shall be traversed by way of taxation for the purpose of that State raising revenue. All members of the Opposition have the greatest respect for Sir Wallace Sandford's opinions but he made a statement which justifies some criticism. He said that this tax is virtually a capital levy and that whilst you can replenish revenue from the earnings of capital you cannot as readily replenish capital. I would like to ask Sir Wallace Sandford why various executor trustee companies, according to yesterday's *Advertiser*, have increased their charges by 3 or 4 per cent? That is, in effect, a direct capital levy because they handle deceased persons' estates.

The Hon. C. R. Cudmore—Do not they have to pay wages and costs of living increases?

The Hon. K. E. J. BARDOLPH—And does not the Government have to pay wages? It is still a capital levy. Those companies do an essential and laudable work, but the fact remains that the major portion of their business is concerned with deceased persons' estates. This measure provides an avenue of taxation and the charges are much lower in the aggregate than those obtaining in other States. I agree that the amount of £2,800 is too low because we are living in an inflationary period and I would like the Government to increase that amount to £4,000. The Government saw the wisdom of a suggestion made by the Leader of the Opposition in another place and lowered the incidence of taxation bequests to religious and charitable institutions by making it a flat rate of 10 per cent. Whatever may be said in connection with the respective policies of both Parties, it can always be said that members of the Australian Labor Party are always prepared to make suggestions and to amend proposed legislation if they consider it to be in the interests of the people. I have pleasure in supporting the second reading.

The Hon. N. L. JUDE (Southern)—Being a man on the land I quite appreciate that the Government feels that the harvest must be garnered in the minimum time and at the appropriate time. I shall endeavour to live up to the Government's requirements to some extent and deal with this matter as I see it. I need hardly remind members, notwithstanding Sir Wallace Sandford's protest, that although we have been in session for four or five months we have considered in the past 48 hours of sitting the Budget and the Land Tax and Succession Duties Bills. We have had a number of very sincere and genuine contributions to this debate and I only intend to enlarge on a few points. I was interested to learn this afternoon that the Attorney-General based almost all his arguments on what the Grants Commission might do. I am glad to know that my colleagues in the Labor Party are with me in that regard. I remind members that this is the third occasion during the past fortnight when the Grants Commission has been used—I say that very firmly—as the excuse for increasing certain avenues of taxation. If that is the case and taxation is on a lower basis here than in other States, are we to expect that if New South Wales or any other State, with any other type of Government, increases duties in certain directions this poorer State of South Australia will have to follow suit?

The Hon. K. E. J. Bardolph—Yes, if the Grants Commission says so.

The Hon. N. L. JUDE—If the honourable member is so certain that that is brought about at the instigation of the Grants Commission I will be interested to see how he votes on the Bill. I have yet to hear that the Labor Party is dictated to by a commission. It was with interest that I noted the rather genuine tears in the eyes of Mr. Condon when speaking on this subject. The Bill does not appeal to me, and I am sure that it does not appeal to any member who is genuine.

The Hon. A. L. McEwin—Are you suggesting that members are not genuine?

The Hon. N. L. JUDE—Allow me to finish.

The Hon. A. L. McEwin—Don't hold yourself up as a pious individual in this Chamber.

The Hon. N. L. JUDE—I was prepared to excuse the Government on the genuine pretext that it needs the money, but I regret that the Government took this avenue of finding it. The Government made no excuses, but members of the Opposition did and blamed the Grants Commission. The Attorney-General sidetracked the issue somewhat, but the Treasurer did not and said, "We want the cash." Members should consider, after they have given this measure fair consideration, how they will vote and whether it is a matter of necessity or principle. That is how I trust the vote will be taken. Members must admit that the incidence of this tax is sectional. I ask members, as a side issue, how much will be lost through the manoeuvrings of people who are skilful enough to avoid paying this taxation? Do they not think that a man who may be liable for £20,000 or £30,000 in succession duties and suddenly finds that he is liable for £40,000 will call his financial agent in and say, "I do not like this; we must do something about it; investigate every possible angle?" He will form his family into a company to avoid paying the tax.

The Hon. K. E. J. Bardolph—Don't people do that now?

The Hon. N. L. JUDE—Exactly, and why? They do so because of the pressure of iniquitous taxation. Unduly heavy taxation will never be effective in the long run and Mr. Bardolph cannot deny that statement. When a sausage is squeezed, as Mr. Cudmore has said many times, it will burst out somewhere.

The Hon. F. J. Condon—How is taxation to be made up?

The Hon. N. L. JUDE—If members support this measure they will be setting an example and an additional precedent to those who may follow us. I shall be most interested to see how members vote on this occasion. I have no hesitation in opposing the Bill.

The Hon. E. ANTHONEY (Central No. 2)—I have no objection to the principle of succession duty taxation, which is perfectly sound and is applied throughout the civilized world. All Governments tax in this way. Probably we will find some differences of opinion as regards the incidence of this tax. Mr. Bardolph said that this Parliament was, in a way, under duress to the Grants Commission.

The Hon. K. E. J. Bardolph—So it is.

The Hon. E. ANTHONEY—He said, too, that the commission was the dominating body in this matter, but I remind him that it was established to deal with the disabilities of the indigent States. I dislike that term.

The Hon. K. E. J. Bardolph—I said that the commission had its genesis in the Surplus Revenue Act.

The Hon. E. ANTHONEY—The commission was established by the Commonwealth Government to consider the claims of three States—Western Australia, Tasmania and South Australia—which are regarded as claimant States. It goes carefully into the economic and financial positions of each of those States, but has no say whatsoever in the amount of grant which will be made. The commission makes a recommendation to the Commonwealth Treasurer and doubtless Mr. Bardolph has heard the debates in Canberra about the amount to be granted.

The Hon. K. E. J. Bardolph—It is the Commonwealth Treasurer and not the Commonwealth Parliament.

The Hon. E. ANTHONEY—The matter must come before the Commonwealth Parliament, which is the only body that can say how the revenue shall be spent. It is ridiculous to say that the Grants Commission can dictate to the States. If any sensible person hands out money he wants to know how it will be spent and that is all that the commission desires to know. If there are avenues of taxation that can be called on is it not reasonable to assume that the commission will take cognizance of them?

The Hon. K. E. J. Bardolph—You are a real baby in the political world.

The Hon. E. ANTHONEY—No, it is the honourable member. I have been here a long time and have made a close study of those things and probably have forgotten a lot more than Mr. Bardolph has ever known. We should place the responsibility where it lies—on the

Commonwealth Treasurer and the Commonwealth Parliament. Succession duty is a tax on thrift; we cannot tax what we have not got. Most modern forms of taxation are based on the ability of people to pay and the more they have the more the State expects them to pay.

The Hon. S. C. Bevan—What about persons who cannot pay?

The Hon. E. Anthoney—We have always had this form of taxation. If people cannot pay cash they will have to realize on more of their assets than they have been doing. That is all they can do. I have heard people say, but I do not agree with them, that this is an attempt "to soak the rich." I would deplore anything of the nature which is going on in England where the rich have been properly "soaked," and not by a Liberal Government either, and their possessions taken from them overnight.

The Hon. K. E. J. Bardolph—It is really confiscation.

The Hon. E. ANTHONEY—Yes. It is sad to see the incomes of old established families being wiped out by taxation. We are faced with a situation which demands immediate attention. The Government has sought to raise a certain amount of money for public works already embarked upon. Whether members agree or not that this is the right form in which to raise the money is not the question. There are other ways of getting it, although it may take longer, namely, we might adopt a little frugality in Government expenditure. It is not the first time I have suggested more economic management by Governments. It is only in the last few months that we have felt we are up against it financially. Twelve months ago the Government could get money for any thing *ad libitum*, but I believe that most people can see the time coming when we shall have to call a halt. The Government has launched out on many public works, but it should realize there is a limit to the amount of money it can take out of the people's pockets. The time will come when they will say, "What is the use of being thrifty?"

This State has been fortunate in that numerous public bequests have been made to various institutions such as the university, which have been richly endowed from year to year, but this source of endowment is drying up. Will not the form of taxation provided for in the Bill make the position worse? I realize that the Government must have the money, but it is only right that those who oppose the measure should suggest how the extra money should be raised. The only other way is by cutting down expenses. If the Government took action to prune a little off the various departments it would soon make up the amount required under the Bill. As I suggested before, I would have preferred that the Government had given members greater opportunity to consider the incidence of this measure, and I therefore asked that the matter be referred to a Select Committee. However, I could not get members of my Party to agree. Therefore, I look with much favour on the amendment proposed by Mr. Rowe, which will have the effect of postponing this taxation for at least 12 months. With that end in view, I support the second reading.

The Hon. F. T. PERRY (Central No. 2)—I believe some honourable members feel that an inroad is being made by this Bill into the capital of certain types of people, and to this they are opposed. The Government said it required the increased taxation in order to balance the Budget. It was stated today that exception should have been taken to the Appropriation Bill rather than to the introduction of this measure. I consider that the £200,000 involved is not the main interest, but the drift which has taken place in our financial structure, and this drift must be faced. The Appropriation Bill this year provides for about £49,000,000, an increase of £7,000,000 on last year. It cannot be imagined for one moment that such an increase can be allowed to continue from year to year without objection being taken to it, and without our considering where such action will lead. I must raise my protest against it. I know that the Government considers the question of economy, but the fact still remains that the increase is still continuing and will continue, and consequently I feel that sooner or later some positive action will be absolutely necessary. If this trend continues I must raise my voice in protest and use whatever influence I can to try to curtail it.

It is a laudable idea for the Government to balance its Budget, but it is not a matter of vital necessity if, by other methods, increased taxation can be avoided. It would be better to have a small deficit rather than to follow the line of least resistance and increase taxation. Over recent years there has been a percentage increase in the revenue collected from succession duties. As the value of money decreases, so the Government gets an increased percentage on the increased inflation, and

consequently this tax is continually rising on that basis. From 1930 to 1940 an average of £300,000 a year was collected in succession duties, and from 1940 to 1945, the period of uniformity owing to the pegging of wages and costs, the amount had increased to an average of £500,000; but since that time there has been a progressive increase of £100,000 a year. In the Appropriation Bill passed last week the estimated revenue from this source for 1952-53 was £1,200,000, whereas last year's revenue amounted to £1,081,000. If we follow the progressive increase in taxation over the last three or four years in which a £100,000 per annum increase was shown it seems to me that the Government, in estimating the succession duty, only added that increased rate to it and consequently I cannot see that the £200,000 increased revenue that the Government hopes to obtain from this tax was included in the revenue Estimates. Certain statements have been made regarding the disabilities grant. We received from the Commonwealth £18,000,000 this year, made up by income tax which the Commonwealth Government collects on our behalf and the disabilities grant. I join issue with those who say that this Government accepts the dictates of the Grants Commission.

The Hon. K. E. J. Bardolph—The Treasurer said so.

The Hon. F. T. PERRY—He said that it takes notice of what the Grants Commission says, but it is quite voluntary; the Government can fall into line with the other States or not. Although it is admitted that our succession duty rate is low, our land tax rate is high. It was higher than the other States before the last increase in the rate. The report of the Grants Commission for 1952 gives us plus £127,000 for land tax, but minus £204,000 on succession duty. It seems to me, therefore, that the statement that we are dictated to by the Grants Commission or the Commonwealth Government is not true. What we are subjected to is a certain loss if we do not reach the weighted average of the three eastern States, but we have pluses as well as minuses, and when the two are added together there is not a great difference.

The unfortunate part of the Government's attempt to increase its revenue is the fact that it has taken this opportunity to alter the succession duty rates. If a flat rate of increase had been imposed, as was done in 1930, I do not think so much objection would have been raised here or outside. The Government has altered the basis of taxation as as well as increased the rates and this is what has raised the storm. It would have been far better, if increased revenue were necessary, to apply a percentage increase to the exist rates, which probably would have been accepted. A prudent man makes arrangements to meet succession duties because he desires that his money shall be made available to his beneficiaries, and consequently in most cases he attempts to provide for it by insurance or special savings in order that his investments or his business is not unnecessarily interfered with by these duties. A tax which is imposed on capital, such as this duty, should be of a fairly permanent nature, and over the year it has been. Everyone has known what provision must be made, but I should say that, in view of the greatly reduced value of money, something has happened over recent years to the amounts that are put in as probate, for it seems to me that if succession duty amounted to £300,000 in 1933, when times were bad and the rates the same as they are now, an increase to only £1,000,000 reveals that steps have been taken to avoid this taxation. As always happens when taxation reaches the stage when people think it too high they so arrange their affairs as to avoid payment, and I think it would be far preferable for men to adopt the old view in force years ago and honestly pay their taxation.

This is not a rich State and many of our people do not get their money easily, consequently most of them object to its being paid away without some compensation in value. To pay it away in taxation is and always will be objected to by the people, as it is a capital payment. That is a perfectly natural feeling. Every man who makes money by his energy and thrift has some interest in its ultimate disposal, and consequently I feel that this class of tax is resented by the people, by the man who makes a will and by his beneficiaries.

I am glad that the Government saw fit to accept the amendment of the Leader of the Opposition in another place. The Government had included charities in the same category as strangers in blood; I am glad that it acceded to this amendment. The time of family ownership of business and industry is passing. It is still very largely availed of in the country and in farms, but in ordinary business money is more readily found through joint stock companies and other methods of finance. For family and personal businesses this is a very awkward form of taxation. There is a large number of our people still in that position, and

this tax makes it very difficult for them to find the money at the present rate, and it will be much more difficult at the higher rate.

Naturally, if we object to a form of taxation, we should indicate where the extra revenue may be obtained and I would not think it very difficult on a Budget of £49,000,000, to find another £200,000. The practice is becoming too prevalent for the expenses of our public services—waterworks, railways, tramways, and so forth—to be met out of taxation, and that is why we get this class of legislation. The extra £200,000 required should be available from that source and the practice of taxing everything to pay for public services should be curbed. That is another reason why I feel that this tax should not be supported, but rather that economies should be effected. We should not view the finding of the extra £200,000 with any great anxiety.

The Hon. F. J. Condon—Is the honourable member advocating increased water rates?

I advocate increases in the costs of services rather than that their losses should be met from taxation. I do not attack any particular service. The fact that the Government which I support has introduced this Bill is a matter of regret but my conscience dictates that I should oppose it and I do so.

The Hon. C. R. CUDMORE (Central No. 2)—The question of succession duties is always an unpleasant subject. I say "death duties" advisedly, because there is a difference between our method of succession duty and estate duty as it applies in the Commonwealth and other States. We have had a fixed rate and it is useful that a person who is trying to provide for his family should know what the death duties will be. The Federal estate duty, which has not been previously mentioned, runs co-ordinately with our succession duty and people continually ask questions concerning their estates. They want to know how much will be involved in estate duty and succession duty so that after leaving a reasonable amount for their families they can leave something to charitable organizations. When money was tight in the depression in the early 30s' Parliament increased all succession duties by 25 per cent. It didn't interfere with the amounts which were being charged to different individuals but made a general all-round increase. In 1934 we passed a measure that decreased that surtax by 5 per cent per annum and eventually restored to its original form. Tonight we are faced with a different proposition.

This Bill was introduced on the plea that the Government faces a deficit of about £250,000 and that we should give benefits in succession duty to people on the lower rung whilst applying increased charges to those on the higher rung. I cannot accept this as a sensible or proper method of financing the annual expenditure of the State. I draw particular attention to the difference between capital and income but the Minister and Mr. Condon both said that as we had passed the Estimates we had therefore committed ourselves to supporting the Bill. I dissociate myself entirely from that point of view. It has been suggested that the increased charges will represent £270,000 a year and £150,000 to June 30 next. That is a drop in the bucket in a Budget of £49,000,000. It is childish to say that we have to do this to balance our Budget and it is quite out of the question so far as I am concerned. We are not permitted to amend financial Bills but we can refuse to pass them.

The Hon. K. E. J. Bardolph—We can make suggestions.

The Hon. C. R. CUDMORE—We can suggest amendments but I cannot accept the suggestion that, because we passed the Estimates which are primarily the responsibility of another House, we must support this Bill. In agreeing to the Estimates most members suggested where there could be some pruning and I referred to secondary education. I have always said that people should pay something towards that. I am not to be deterred by any suggestion that I have not put forward a proposition whereby £150,000 could be saved. This Bill is discriminatory and favours one section of the community as against another. I am entirely against it. If the Government had said that it was up against it financially and needed money for urgent purposes and proposed an all-round 25 per cent increase I would have considered it. This Bill creates a special class for widows and children under 21 and is quite absurd. In most cases one cannot pay money to people under 21—it has to be placed in trust. It is being nice to the smaller people and socking those who have saved in order to provide for their dependants.

The Hon. S. C. Bevan—Won't the smaller people have to pay?

The Hon. C. R. CUDMORE—No. I do not believe in this form of taxation. This is a capital levy to be used as income. The people who have saved and not spent all their money on booze and racing are to have more taken

from them to be used as annual income. That is wrong, although I admit that it has happened everywhere in the world. In England, under the Labor Government which was in power for six years, it spread to appalling lengths and about three-quarters of everyone's estate was taken from them.

The Hon. A. L. McEwin—You prefer to break up family estates?

The Hon. C. R. CUDMORE—On the contrary I am completely opposed to that and the whole of my remarks indicate that. Let me quote the case of a family estate known as Falkland Castle, where the father died during the war and the eldest son succeeded him and had to pay succession duty. He was killed in Africa. The next son was killed in France and the son who succeeded to the estate when I was there had a wooden leg, being injured in the war. He was living in two rooms in the castle because everything had to be used to pay death duties.

The Hon. A. L. McEwin—That is the best argument I have heard in support of the Bill.

The Hon. C. R. CUDMORE—That may be so, but death duties can be very cruel. It is a bad thing for any of us to discourage people from saving and building up something for their families. If it was necessary to get more money through succession duties it could have been done by imposing a general all-round increase. I would have been prepared to consider such an increase, but we are granting exemptions to certain people and putting all the incidence on others. That is most unfair and I oppose the Bill.

The Hon. L. H. DENSLEY (Southern)—I have been unable to follow exactly the trend of the debate so far as it affects the Grants Commission. As long as South Australia remains a claimant State, due to our disabilities, we cannot expect to go to the commission and seek grants if we are not prepared to tax our people at the same level as those in other States. It is within the functions of and quite realistic for the Grants Commission to suggest that we should raise our taxation rates to a level comparable with other States if we claim disability grants. I dissociate myself from the attitude adopted by other members in that regard.

The Hon. K. E. J. Bardolph—Are they not more than suggestions?

The Hon. L. H. DENSLEY—There is no necessity for us to accept them if we do not desire. I am greatly concerned about the implications in the Bill. I realize that succession duties are collected in practically every country in the world, and I detest them. The person who is prepared to work and save and build up an estate, whether large or small, is of the greatest value to the community. I am sorry that the necessity has arisen to adopt this particular form of taxation. By increasing it to the same amount as in other States we are likely to remove the desire to work that is so essential for the well-being and prosperity of any nation. Members knew what we were letting ourselves in for by agreeing to the Budget. We were informed of the methods which would be necessary to raise sufficient money to meet our expenditure. Unless we can put some alternative before the Government for raising sufficient money it is difficult to see how we can vote against the Bill. I was tremendously impressed by Mr. Cudmore's remarks, but I feel that I have an obligation, having supported the Budget, to do what is necessary to provide sufficient revenue to meet our expenditure and I support the second reading.

The Hon. W. W. ROBINSON (Northern)—I am certain that no member of the Government takes any pleasure in increasing taxation, but I believe this is a laudable attempt to balance the Budget and enable us to pay our way. Over the years there has been much loose thinking and talking about national finance. Only a few years ago we prosecuted a war and were left with a debt of £1,100 million in bringing it to a successful conclusion, £550,000 of which was raised by loan and £549,000 by bank credit. That debt is still with us. Following on that was the introduction of the 40-hour week, an increase of £1 in the basic wage and the devaluation of the pound. All these things went towards undermining the stability of Commonwealth finance.

The Hon. K. E. J. Bardolph—Wasn't the increase in the basic wage granted by a properly constituted tribunal?

The Hon. W. W. ROBINSON—I admit that, but every increase in wages has to be passed on to the people in the form of higher cost of living. We also have quarterly adjustments in wages, which have led us to the position we find ourselves in today. People are crying out for homes, schools and all the amenities of life, but they cannot be provided unless we have the wherewithal to do it. The Bill is only a temporary measure to tide us over a readjustment of our financial position. With the improvement that has taken place

in our economic life the time is coming when we will have more production of our basic needs, such as coal and steel, and there will be some alleviation in taxation. At the moment, however, it is necessary to increase taxation to meet the position.

At first blush I felt that I must oppose the measure because the atmosphere surrounding it indicated that it was harsh in its incidence. Although I regret the increase it is only 25 per cent to 26 per cent overall. Last year the Government received about £900,000 from this source. It is estimated that the figure will be increased to £250,000 under the proposals in the Bill. Much as I dislike any increase in taxation I think this is a correct method of getting finance. For years the Federal Government has endeavoured to raise finance by loans and bank credit which has led us to the position in which we find ourselves today. Some will say that the Government is doing the incorrect thing in curtailing credit, but I believe it is necessary to call a halt to our increasing loan expenditure. In the financial year 1945-46 we spent £47,700,000, in 1946-47 £65,800,000, in 1947-48 £84,200,000, and in 1948-49 £99,500,000, a total during those four years of £297,000,000. In the three following years it was—1949-50 £128,900,000, 1950-51 £244,800,000, and 1951-52 approximately £320,800,000, or £694,000,000 in all. Yet, notwithstanding that vast expenditure we were unable to provide the amenities for which the people are clamouring. If I desired to become popular in my electorate I would oppose the measure because I have had telegrams and letters asking me to do so, but I believe it necessary this year, in order to provide the necessary amenities, to increase succession duties by this limited amount.

Recently, I visited Marree, where cattle men had gathered from some 200 miles or more around to attend a picnic race meeting. They told me about the condition of the bores on the Birdsville track which are necessary to enable cattle to be brought to the Adelaide market. They say that it is necessary to spend £500 to £1,000 on each of them. Hawker and other country towns are languishing through lack of water, and if we are to develop this country it is essential to have revenue to keep these services in proper order. I therefore support the Bill.

The Hon. E. H. EDMONDS (Northern)—Not desiring to cast a silent vote on such an important measure I shall content myself with mentioning a few points which seem to have been overlooked. I am quite sure that in such an important matter as a proposal to increase taxation every member pays the strictest attention to the pros and cons submitted and, in addition, endeavours to acquaint himself with all the facts in order to be able to arrive at a conclusion which is in the best interests of all concerned. I readily admit that when the proposal was first brought forward I had considerable misgivings, and in consequence I have purposely delayed any contribution to this debate in order that I could give the fullest consideration to all the arguments presented for and against the measure. In addition, I was impressed by the observations of the Minister in his second reading speech. In consequence of the information I have gathered and the remarks of previous speakers I have decided to support the second reading.

It appears to me that in one or two instances the fact has been overlooked that, even with the rejection of the Bill, we will still retain the Succession Duties Act. That is to say, we will continue to collect a considerable amount of money under the existing legislation. What this Bill proposes is to alter in some measure the incidence of tax and to increase the rates in order to provide the State with revenue approximately £70,000 for the remainder of this financial year and £200,000 in succeeding years. There appears to have been confusion in the minds of some members in regard to the part that the Grants Commission plays in matters of this nature. In this connection it is of interest to note that in its nineteenth report, for the year 1952, the commission sets out the formula laid down in the Constitution, and the proceedings which shall be adopted in regard to the fixation of grants to the claimant States under the provisions of the uniform taxation legislation. In appendix No. 1 it states:—

The commission has decided to continue the method of determining relative severity of State taxation which it has used since the eleventh report. Briefly, the method is to compare the revenue collected by each claimant State from each source of taxation with the revenue it would have collected by imposing rates of a standard severity. These standard rates are derived mainly from the average of the rates levied for similar taxation in the non-claimant States. The commissioner's treatment of each of the non-income taxes levied by the States in the financial year 1950-51 is explained in the observations and calculations which follow.

Then follows the table brought under our notice by Mr. Perry. It appears to me, therefore, that it is not a case of the State being subject to

the dictatorial edicts of the Grants Commission, as it acts entirely within its authority under the Constitution of the Commonwealth.

It has been very clearly stated that unless we make these adjustments this year our grant will be adversely affected by over £200,000. I can recall only one member who has suggested an alternative to raising this revenue; Mr. Perry mentioned the possibility of putting the pruning knife into governmental expenditure. However, there are other methods which could be employed in addition to economizing in the public services, and, incidentally, I feel sure that the Government has full regard to its responsibilities in this connection and I would hate to think that all avenues for economizing have not been explored, so I think we may rule that suggestion out. Another way would be to go on the market for a loan for some specific purpose, and I am encouraged in that thought by the knowledge that the annual report of the Savings Bank reveals a considerable source of finance in that institution, part of which may be attracted by an invitation to subscribe to a governmental loan. I recall that when the Electricity Trust went on the market it met with an excellent response and its loan was over-subscribed, which indicated that the people had the utmost confidence, not only in that institution but, what is more important, in the stability of the State, and I think that that is a security which should be attractive to people who have money to invest.

A third method would be the curtailment of some of our public works, but I challenge any member to indicate where that could be done. Is there one item in the Budget that we could conscientiously say could be left undone if we propose to go on with the development of the State? If we pander to the belief that another depression is just around the corner we may as well shut up shop. We want to progress and I am sure the Government's faith in the future of the State is well founded and that the people will stand behind the Government. I do not favour Mr. Rowe's proposed amendment and in a matter like this one must either accept or reject it. I support the Bill as it stands.

The Hon. J. L. S. BICE (Southern)—As the fifteenth speaker on this measure one can realize that there is little for me to add. There have been many excellent speeches illustrating the various members' points of view. I am reminded that a former member of the Southern district, the Hon. Thos. McCallum, classified succession duty as a vulturous form of taxation. One can subscribe to that feeling and could adopt the easy way and reject this legislation but it has always been a recognized means of taxation. I listened with interest to the remarks concerning the Grants Commission. I remember when Sir Wallace Sandford was a member of the commission and I believe that since then the claimant States have always received fair treatment. I look forward to the time when the field of income tax will be returned to the States because that is the soundest way for States to acquire their income.

In common with other members I do not like succession duties but having supported the Appropriation Bill I must accept the responsibility of funding that Bill and will support the second reading. I will also support Mr. Rowe's amendment because I believe that we should review this legislation and consider it on the same basis as we will the Appropriation Bill next session. In conclusion I would mention some of the difficulties facing the States in funding succession duties. In view of the state of the money market it is difficult to liquidate mortgages on properties, and when a son is left a property carrying a mortgage he has serious difficulty in meeting it. Those things make us wonderfully sympathetic to the person who has to arrange finance to liquidate obligations which accrue in the financing of an asset under the Succession Duties Act.

The Hon. R. R. WILSON (Northern)—I do not wish to record a silent vote. Many reasons have been advanced for the necessity of this legislation and one reason was that South Australia had lower succession duties than the eastern States. During the day I received telegrams and letters from persons in my district asking me not to support this measure. While I appreciate the wishes of those intelligent people I realize that they are not in a position to have access to the information we receive. I have to face them in the coming election and I am conscious that on this occasion I am trying to do my best on their behalf. Not many months ago when Federal land tax was threatened I believed it would set up many problems and hardships and when that tax was abolished there was much rejoicing. Most of the people affected by that tax are concerned in this measure.

When attending the Loan Council the Treasurer was applauded by practically everyone for the attitude he adopted with regard to loan allocations, although he could not obtain the money required to carry on the industries vital to this State. He met the

same fate at the second Loan Council and it was necessary for him to raise money to avoid unemployment and the possible disruption of industry. The Government was forced to introduce this legislation and no alternative has been suggested whereby the necessary revenue can be raised. It can only come from those who can afford to pay this taxation. I dislike taxation as much as any other member and it affects me the same as it does everyone. I have never had money left to me, but in spite of this legislation I will be able to leave something to my dependants. It is a penalty on those who are thrifty and have saved. I am pleased the Government accepted the amendment moved in another House relating to legacies to charitable organizations because I am a trustee of many charities that benefit from legacies. Most country properties in my district today are worth about £12,000. Under the present law a widow with children under 21 years of age would have to pay succession duties of £1,080, but under the proposed amendment she would pay £1,325. In the second class, other dependants with children under 21 would pay the same rates. Strangers in blood who would pay £1,800 under the present Act will be obliged to pay £2,800 under the Bill and in the collateral class £1,500 would be paid at present and £1,925 under this proposal. There have been many letters in the press since the introduction of the Bill and people generally seem to have the impression that the succession duties are more severe than the Bill provides. I do not intend to support Mr. Rowe's amendment. If we are to have this taxation we must face it and should not prolong it until December, 1953. I support the Bill.

The Hon. A. A. HOARE (Central No. 1)—I wholeheartedly support the Bill as it stands. The people who are kicking up the most fuss are those who stand behind big business. They have squealed through the press and have attempted to frighten people, but I do not think they will come out winners on this occasion. Much has been said about the Commonwealth Grants Commission. Let me tell members the history of it. During the regime of the Scullin Government there was much anxiety as to how it could legislate to assist the three smaller States—Tasmania, South Australia and Western Australia. At the time there was a body known as the Public Accounts Committee and the Scullin Government told it to inquire into the best means of assisting those three States. After we visited the States we recommended that the Government should appoint a committee to inquire into their disabilities, which resulted in the appointment of the Commonwealth Grants Commission. It has done a good job and has made several recommendations to this Parliament. To a great extent we have to follow its dictates. The commission told the Government, not only that it had to raise more revenue, but where it could be obtained. One recommendation was that it should be obtained from the racing community. That was unfair, to a certain extent, because it hit the bottom dog. If additional taxation is required the burden should be placed on the shoulders of those best able to carry it. Mr. Rowe's amendment is only an endeavour to side-track the Bill. The toilers of Australia need have no fear that it will hurt them. I wish the measure every success.

The Hon. R. J. RUDALL (Attorney-General)—Every aspect of the Bill has been canvassed by members so thoroughly that members know exactly where most of them stand on it. Some members have said that the Government could save this expenditure by instituting economies in Government departments, but I do not think the Government can be accused of extravagance in its administration. I have been responsible for administering various departments during the life of the Playford Government, the whole object of which has been to save the taxpayers as much money as possible. I am administering the Education Department which calls for very heavy expenditure. Before the Estimates were framed, not only that department, but every department in the Government was chiselled down to the very last bone in order to save every possible penny. Had it not been for this tremendously careful administration on the Government's part we would have had to increase taxation before this.

The position has now arisen when we cannot get on without it. Members will appreciate that a vast amount of the increased expenditure is due to something over which the Government has no control—increased wages and salaries. Every line on the Estimates was hit and it is impossible for the Government to make economies in that direction. I speak from my own personal knowledge, as well as from the experience of other Ministers, when I say that we have pruned the Estimates as far as we possibly can and I would like those members who suggest that we could save by making economies to tell me where. Mr. Cudmore mentioned secondary education.

The Hon. C. R. Cudmore—High school education should be paid for.

The Hon. R. J. RUDALL—That suggestion is useless and impracticable. I thought that the honourable member was referring to the University Council, of which he is a member. The Estimates were never framed until the pruning knife had been put into every department, and nobody can accuse the Government of extravagance. No member of the Government wants to increase taxation, as they are as much subject to it as anybody in the community. Some people seem to think that members of the Government do not have to pay taxation, but that is not the case. We have got to balance our Budget, particularly at a time like this. It is the Government's bounden duty to do so. Mr. Perry suggested that we should budget for a deficit, but I question whether he really meant it.

The Hon. N. L. Jude—The Treasurer did it three years ago.

The Hon. R. J. RUDALL—If we budgeted for a deficit today it would only mean that it would have to be met out of Loan money. That could only mean that the expenditure of Loan moneys would have to be cut in some direction, but where? Suggestions like that are not only highly impracticable, but impossible and should never be made. I thank members for the attention they have given to the Bill and ask them to agree to it so that the Government will have sufficient finance to carry on.

The Council divided on the second reading—

Ayes (14).—The Hons. E. Anthoney, K. E. J. Bardolph, S. C. Bevan, J. L. S. Bice, F. J. Condon, J. L. Cowan, L. H. Densley, E. H. Edmonds, A. A. Hoare, A. L. McEwin (teller), W. W. Robinson, C. D. Rowe, R. J. Rudall, and R. R. Wilson.

Noes (5).—The Hons. C. R. Cudmore (teller), N. L. Jude, A. J. Melrose, F. T. Perry, and Sir Wallace Sandford.

Majority of 9 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 to 11 passed.

Clause 12—"Repeal of second and third schedules of principal Act and enactment of another schedule."

The Hon. A. J. MELROSE—I draw members' attention to the fact that this is the clause which apparently deals with the amount upon which no duties will be payable. During the second reading debate I suggested that the amount of £2,800 which the Government proposed should be the limit of exemption should be increased.

The Hon. R. J. RUDALL—I move the following suggested amendments to subclause (5):—

After "disposition" insert "(*a*)."

Leave out "religious or public scientific or public educational purposes" and to insert "the purpose of the advancement of religion science or education."

After "or" (first occurring) to insert "(*b*)."

To leave out "public" first occurring.

After "hospital" to insert "which the Treasurer is satisfied is not carried on for the purpose of profit to individuals."

After "or" (second occurring) to insert "(*c*)."

To leave out "public" (second and fifth occurring).

These are the amendments I mentioned in moving the second reading. They deal with the exemption of gifts for various charitable, religious and educational purposes. Their main object is to avoid the necessity for using the word "public" in the expressions "public scientific purposes," "public educational purposes," "public hospital" and so on. If this word remains, numerous questions of interpretation will arise. For example, what is a "public scientific purpose" and how is it distinguished from a "private scientific purpose"? The same question will arise in connection with public educational purposes. Would a gift to a school conducted by or on behalf of a church be for public educational purposes, or would a gift to a hospital such as the Memorial Hospital or Calvary Hospital be a gift to a public hospital? These hospitals are not public hospitals within the meaning of the Hospitals Act.

To avoid these difficulties the amendments provide that any gifts for the advancement of religion, science or education will receive the concession. Gifts to hospitals will also receive the concession if the Treasurer is satisfied that the hospital is not carried on for private profit, and gifts to benevolent institutions and benevolent societies will come under the clause irrespective of whether the institution or society can be described as public. Any honourable member who has been associated with the interpretation of the word "public" in connection with this kind of thing will realize the enormous difficulties which arise.

The Hon. C. R. CUDMORE—I wholeheartedly support the amendment. It was difficult to know what would be the effect of

the clause as it came from the House of Assembly. The amendment is necessary to clarify the position.

The Hon. F. T. PERRY—From time to time a list of benevolent institutions which come under the Commonwealth Act is published, and I therefore presume that the South Australian Government will prepare a list of institutions coming under this legislation so that the public will know what institutions are involved. Otherwise there will be confusion in the minds of those who wish to make benefactions.

The Hon. R. J. RUDALL—It would be impracticable to set out a list as suggested. The phrase "for the purpose of the advancement of religion, science or education" is well known in connection with decisions on wills. Any person making his will could consider the matter and come to a decision. Hospitals are included so that the Treasurer could be satisfied that they were not being run for private gain.

Suggested amendments agreed to; clause as suggested to be amended passed.

Suggested new clause 13—"Operation of Act."

The Hon. C. D. ROWE—I move to insert the following suggested new clause 13:—

The amounts and rates of duty fixed by this Act shall apply in relation to the duty becoming chargeable not later than December 31, 1953. Thereafter the rates in force immediately before the commencement of this Act shall again come into force.

When speaking on this matter in the second reading debate I mentioned that we had actually agreed to the Budget and this extra revenue was in the mind of the Government at the time. Therefore, although we may not be justified in going back on the Budget, at least we can ensure that this legislation shall not be on the Statute Book for all time. This type of legislation is different from any tax we had to deal with in the Budget. This is a capital levy proposed to be used for income purposes, whereas the Budget dealt with taxation on personal income. I therefore feel that whilst we may have to impose it under present conditions it should be removed when circumstances are different. My second point is that we cannot say what the budgetary position will be next year and whether we will require more or less revenue. It seems to me that we have reached the crest of the wave of inflation and, if anything, we are tending towards a deflationary period. If that is the case the amount we may have to spend for wages, and our expenditure on such things as railways and tramways may be less. If that position comes about the first tax we should remove is this tax on capital. It is obvious that considerable representations have been made to members regarding the passage of this Bill and I feel that in all the circumstances we should limit its operation.

The Hon. R. J. RUDALL—I ask the Committee not to accept this amendment. Its effect would be that we would be able to collect these increased rates for the next half of this financial year and for the first half of the next financial year, and that is as far as the amendment will allow us to go.

The Hon. F. J. Condon—I think it is in conflict with Parliamentary procedure.

The Hon. R. J. RUDALL—It is the sort of procedure I cannot imagine the Committee accepting for I agree with Mr. Edmonds that we should either reject or accept the Bill. As Mr. Perry said, this is one tax which should be stable.

The Hon. N. L. Jude—Which means you want it to go on for ever.

The Hon. R. J. RUDALL—This amendment limits it to 1953 and I sincerely hope the Committee rejects it.

The Hon. E. ANTHONEY—I intimated on the second reading debate that I intended supporting this amendment and I shall do so. I also stated that if the amendment were not carried I should vote against the Bill. I support the amendment because it is in line with what I thought when the Bill first came in, namely, that it should be further considered at a later date. The amendment affords that opportunity.

The Hon. N. L. JUDE—All members realize that the Attorney-General built up his case very strongly and convinced one or two members that the acceptance of the Budget by this Council was virtually the reason why they must support the Bill. We have debated the Budget, which is an annual matter. The Government has the votes and I have no fault to find with that, but I remind members that the Minister apologized for this Bill. He said he regretted the necessity for its introduction but that it was needed in order to balance the Budget, and that if members had voted for the Budget they must vote for the Bill. Now, when it is suggested that it should be carried on for only one year, the Minister announces that this duty should be stabilized, which means that it should be carried on for all time.

The Committee divided on the suggested new clause—

Ayes (9).—The Hons. E. Anthoney, J. L. S. Bice, C. R. Cudmore, L. H. Densley, N. L. Jude, A. J. Melrose, F. T. Perry, C. D. Rowe (teller), and Sir Wallace Sandford.

Noes (10).—The Hons. K. E. J. Bardolph, S. C. Bevan, F. J. Condon, J. L. Cowan, E. H. Edmonds, A. A. Hoare, A. L. McEwin, W. W. Robinson, R. J. Rudall (teller), and R. R. Wilson.

Majority of 1 for the Noes.

Suggested new clause thus negatived.

Title passed and Bill reported with suggested amendments. Read a third time and passed.

ENFIELD GENERAL CEMETERY. (EXCHANGE OF LAND) BILL.

Received from the House of Assembly and read a first time.

The Hon. R. J. RUDALL (Attorney-General)—I move—

That this Bill be now read a second time.

The Enfield General Cemetery Act, 1944, provided for establishment of the Enfield General Cemetery and constituted a trust called the Enfield General Cemetery Trust to administer the cemetery. The funds necessary for the establishment and for the expenses of the trust for the first years of its operations were, under the Act, provided by means of advances which the Minister was authorized to make to the trust. The present Bill has three purposes. Firstly, it is proposed to bring about an adjustment in the boundaries of the cemetery. Secondly, provision is made whereby a small area of the cemetery may be transferred to the Enfield corporation as a reserve, and thirdly, it is proposed to increase the amount which may be advanced by the Minister to the trust.

The Act of 1944 defines the area of land about 80 acres in extent which is the Enfield General Cemetery and section 21 of the Act declares that the land is to be a public cemetery. The actual area of land set apart as the cemetery is shown in a plan in the third schedule to the 1944 Act. It will be seen from this plan that the northerly part of the cemetery juts out, making the cemetery more or less an L shape. This northerly portion of the cemetery contains about 13 acres and the cemetery as a result of this part jutting out to the north, is not a symmetrical shape.

As it happens, the Housing Trust owns land to the south and east of the cemetery and the Cemetery Trust has approached the Housing Trust with a view to the two trusts exchanging approximately equal areas of land. The proposal is that the Housing Trust should take the land of the Cemetery Trust which projects to the north and, in exchange, the Cemetery Trust should take from the Housing Trust a strip of land along the southern and eastern boundaries of the cemetery. To bring about this exchange a statutory enactment is necessary, as section 21 of the Act provides that the land now vested in the Cemetery Trust is to be a public cemetery. Accordingly, clause 4 provides that the northerly part of the cemetery is to be vested in the Housing Trust and is to cease to be part of a public cemetery. It will, of course, be used by the Housing Trust in the ordinary way.

Clause 3 vests in the Cemetery Trust the land of the Housing Trust along the southern and eastern boundaries of the cemetery. This land is, under the Bill, declared to be part of the cemetery. There are three roads which run through the land dealt with by clause 3. The parts of these roads with which the Bill is concerned only extend to allotment depth and finish up with a dead-end on the cemetery boundary. Obviously they will not be required as roads and clause 3 therefore closes the roads, vests the land in the Cemetery Trust and declares the land so vested to be part of the cemetery. The result of what is proposed by clauses 3 and 4 will be to make the shape of the cemetery much more suitable for its future development. Another desirable result will be that the cemetery will be almost entirely bounded by public roads.

Clause 6 deals with a further matter affecting the cemetery. The land adjoining the western boundary of the cemetery has been developed by the Housing Trust as a large housing estate. When the land in question was subdivided by the Housing Trust, an area of land on the eastern side of the land and adjoining the cemetery was set aside as a reserve and vested in the Enfield corporation. This area of land has upon it a substantial area of natural timber which it was desired to preserve. This timbered area extends into the cemetery itself and the corporation has suggested to the Cemetery Trust that it would be desirable that the whole of the timbered area should be created a public reserve. The corporation has suggested to the Cemetery Trust that if this were done, the corporation would, in return, carry out certain road construction work on the roads abutting the cemetery and erect certain fences without cost to the Cemetery Trust. Clause 6 therefore provides that the Cemetery

Trust and the corporation may, upon such terms as are agreed upon, agree to the transfer to the corporation of a part of the cemetery up to four acres in area adjoining the existing reserve. Upon transfer the area transferred will cease to be part of the cemetery and is to be held by the corporation as a reserve. Including the existing reserve, the area of natural timber is approximately 10 acres in area.

Clause 7 gives the Registrar-General power to make any corrections of the register book necessary to give effect to the Bill. The provisions relating to the exchange of land, the closing of roads, and the power to create part of the cemetery a reserve have been considered by the two Trusts concerned and the Enfield Corporation and all three bodies have approved of the proposals.

Clauses 8, 9, and 10 deal with another matter. As has been previously referred to the capital of the Cemetery Trust has been advanced to it by the Minister and section 23 of the Act authorizes the making of advances up to £12,000. The Act provides that interest is not to be payable on the advances until June 30, 1956, but simple interest at 4 per centum is to be charged up to June 30, 1955, and then capitalized and added to the amount of the advance. From June 30, 1956, interest begins to be payable whilst the first re-payments of capital are to be made on June 30, 1957. The trust has asked that the total amount which may be advanced to it be increased by a further £8,000. It has pointed out that the existing limit of advances will shortly be exhausted but it is still necessary to carry out capital expenditure to the extent of approximately £9,000. The Government is of opinion that it is desirable to give the trust this extra accommodation and clause 8 therefore increases from £12,000 to £20,000 the amount which may be advanced by the Minister.

It is also provided that the time for payment of interest and repayment of principal will be put forward by three years in each case so that the date upon which interest will be capitalized will be June 30, 1958, instead of June 30, 1955, with a corresponding alteration in the years in which repayments of capital are to be made. As the Bill is a hybrid Bill under the Joint Standing Orders on Private Bills, it was referred to a select committee of the House of Assembly. This committee, after hearing evidence, reported in favour of the passing of the Bill.

The Hon. F. J. CONDON secured the adjournment of the debate.

NARACOORTE TOWN SQUARE (PRIVATE) BILL.

The Hon. R. J. RUDALL (Attorney-General) moved—

That the Clerk of the Council be authorized to return to the promoters of The Naracoorte Town Square (Private) Bill the certificate of title and certified copy of the conveyance dated September 14, 1871, deposited with the Select Committee on November 4, 1952.

Motion carried.

ADVANCES TO SETTLERS ACT AMENDMENT BILL.

Read a third time and passed.

POLICE REGULATION BILL.

Read a third time and passed.

BARLEY MARKETING ACT AMENDMENT BILL.

Read a third time and passed.

SALE OF GOODS ACT AMENDMENT BILL.

Read a third time and passed.

ROAD TRAFFIC ACT AMENDMENT BILL.

Read a third time and passed.

LAND TAX ACT AMENDMENT BILL.

Read a third time and passed.

LOCAL GOVERNMENT ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from November 13. Page 1323.)

The Hon. F. J. CONDON (Leader of the Opposition)—I do not propose to occupy the time of the Council by debating the Bill at length and I shall refer only to a few clauses which I think should receive the close attention of members. Under section 7 of the Act a new area cannot be created by severance unless it has a general rate revenue of £3,000. Clause 3 provides that the minimum rate revenue for a new area, or for the area remaining after severance, shall be £5,000. Clause 4 amends the Act to provide that a municipality may be declared a city if its population exceeds 15,000, instead of the 20,000 now prescribed. Whyalla has a population of approximately 8,000 and some other country towns have populations of about 6,000. There are a number of towns in Tasmania with populations exceeding 15,000. We have not proceeded with decentralization as they have in other States and although we talk about it we have nothing to show for our talk. In Queensland there are a number of towns with populations of over 40,000 and the same thing applies

proportionately in Western Australia. Clause 4 provides that a municipality may be declared a city if its population exceeds 15,000. Recently we provided that country towns could be declared cities if their population exceeded 10,000, but it will be some time before many cities are declared outside the metropolitan area.

The Act provides that a proclamation can be made declaring that a municipal council shall include aldermen but only if the population exceeds 20,000. Clause 5 removes the qualification relating to population. To my knowledge there are only about two councils outside the metropolitan area which have aldermen. The present voting system is unsatisfactory and this clause is another way of introducing plural voting because a ratepayer owning property in five wards would be entitled to five votes, which is an undemocratic system, because one man should only have one vote. Clause 6 provides that the nomination day for annual elections is to be the second Friday in May. At present it is the second Saturday in May but because of the alteration of working hours not many people work on Saturdays and that is no doubt the reason for the alteration. I regard that as an indication that we are not going to depart from the 40-hour week because the Government is providing for all time, by this clause, that there shall be no alteration of hours.

Clause 8 amends the provision relating to appeals against assessments and provides that where a property is owned jointly by two or more persons each has the right to appeal without the other being involved. If a ratepayer appeals against an assessment he appears before the whole of the council and if he does not receive satisfaction he can then go before the local court and have the asessment determind by a special magistrate assisted by two justices of the peace. Clause 11 extends the purposes for which a council may spend funds and enables it to contribute towards bands and orchestras and for other purposes which are in the interests of the town. A council may acquire and operate stone quarries and under clause 12 the provision relating to the prohibition of the sale of its products is repealed.

At present municipal councils have power to licence hide and skin markets and stock sale yards and to establish markets and make by-laws for their regulation. Clause 14 extends these provisions to district councils. Councils should be careful in allocating sites for these purposes because sometimes they are established in residential areas and give off obnoxious smells. It is true, however, that some persons have constructed homes in the vicinity of these works no doubt because they have secured the land cheaply. District councils have power to make by-laws for regulating and controlling quarrying and blasting operations and clause 15 extends that power to municipal councils. Clause 17 provides that where a by-law prescribes fees or fares for taxis the councils may alter them by resolution published in the *Government Gazette.* Later I will probably move similarly to what was done in another House to alter the provisions relating to the holding of polls, but for the present I support the second reading.

The Hon. E. H. EDMONDS (Northern)—I do not desire that the brevity of my remarks shall be indicative of my failure to realize the importance of this Bill but it seems to me, after having carefully scanned the amendments, that it is a machinery measure. The fact that Mr. Condon did not find much to criticize indicates that the circumstances are as I have mentioned and that the amendments are those which have been found desirable and necessary by the councils which are charged with the administration of the Act. Local government covers a wide range of activities and councils are charged with the administration of many Acts. The Local Government Act covers a wider field than perhaps any other legislation on the Statute Book and therefore any suggestions or amendments should receive serious consideration. In the past 12 years there have been seven amending Bills and in this Bill there are 16 amendments. I assume they arise because of changing conditions and are recommended as a result of the experiences of those most concerned with the administration of the law.

Many amendments which come before us from time to time are initiated by councils and arise from discussions held at their annual conferences. Throughout the State associations have been formed by councils in various areas and these associations hold annual conferences and matters which come to their notice are considered and resolutions, if favoured by the majority of the delegates, are forwarded for consideration to the advisory committee which was established to deal with those matters. All suggestions are discussed by people actively associated with local government and who have experience extending over a long period and their recommendations should receive serious and mature consideration.

Clause 3 is indicative of the rise in councils' administrative costs, because it provides that where an area desires severance from the existing council the revenue available must be £5,000 a year as against the previous amount of £3,000. The alteration of nomination day for council elections from Saturday to Friday is another indication of changing conditions, as council offices are not now open on Saturday mornings. An improved administrative change proposed relates to the notices necessary to be given on both sides when a clerk's services are relinquished. If a clerk wishes to resign he must give two months' notice to the council, but a council must give six months' notice to the clerk if it desires to terminate his services. That is equitable and fair. It may be easy for the council to procure the services of another clerk, and therefore two months' notice would possibly suffice, but if a clerk were compelled to look for another situation he may require much more time than that.

Clause 14, relating to the powers of councils as to hide and skin markets was referred to by Mr. Condon. I agree with him that it is time legislative action was available whereby some control could be exercised by councils in this regard. Apparently the responsibility remains with the individual who may find it necessary or convenient to erect a home in the vicinity of such places; that can hardly be taken as a responsibility of the council. If a council goes to the trouble of setting aside certain areas in specified localities for what are referred to as "objectionable trades," that is about as far as it should be expected to go. I will listen with interest to any points raised in Committee and content myself now with supporting the second reading.

The Hon. J. L. COWAN (Southern)—This Bill makes a number of amendments to the Local Government Act, most of which I understand have been before the Local Government Advisory Committee and have been recommended by that body. Most of these amendments are of a minor nature. Nevertheless they will tend to provide for the smoother and more efficient working of local government generally. I am somewhat disappointed to find that there is no provision for the setting up of a State-wide superannuation scheme for permanent council employees. I am aware, of course, that many councils have entered into private schemes with insurance companies for the superannuation of their clerks, overseers and other officers. However, they are under no obligation to do this, and until some scheme embracing all councils is introduced there will be little encouragement for young people to take up a career in local government.

Clause 3 provides that no new council area may be created by severance from another area unless the new area would have a general rate revenue of £5,000; likewise, the old area left after severance must have a general rate revenue of at least the same amount. I agree that it is necessary to increase this amount from £3,000 to £5,000 but that the new figure is still low enough in comparison with present day costs of running a council. We must guard against the position which I have known in the past of a council, after having met its administrative costs and other uncontrollable expenditure, being left with little to spend on essential road works.

Clause 5 provides that nomination day is to be the second Friday in May instead of Saturday. This change is justified regardless of the present shorter working week. One of the most important clauses is clause 11. It extends the purposes for which a council may expend its funds. This move will be appreciated by many councils which in the past have been denied the right to contribute to community hospitals and other worthy organizations whose work is in complete harmony with that of local government. Paragraph (*j*4) of section 287, which I commend to members, will be appreciated by all councils in South Australia as it will permit them to subscribe for the purposes of any organization having as an object the furtherance of local government or the development of any part of the State in which the area of the council is situated. This provision will allow councils to subscribe legally to the various local government associations, of which they have been members for many years, as well as other organizations and development leagues. The total amount which can be paid for all these purposes must not exceed £50 in any one year. This clause, too, will permit all councils in the Murray Valley of South Australia to contribute to the Murray Valley Development League as do councils on the Murray in Victoria and New South Wales. The councils concerned have been desirous of making this contribution for some years and were keenly disappointed that this House rejected legislation for this purpose 12 months ago. However, it was presented in a very different form then, and this was responsible for its rejection.

I would remind those who may not be quite conversant with the activities of the Murray Valley Development League of those fine district exhibits that attracted so much attention and favourable comments at the last Royal Show. Two of these exhibits were entirely organized and staged by the Murray Valley Development League. They were no doubt a tribute to the valuable work of the league, and an indication of the goodwill and co-operation which this worthy organization enjoys and deserves in the Murray Valley. Councils are anxious to assist the league in its efforts to increase production by the further development of irrigation areas on the Murray. There are a number of other amendments to the Act all of which I am sure will be of benefit to the working of councils. They have my support and I support the second reading.

The Hon. E. ANTHONEY (Central No. 2)—There is only one feature in which councils will be dissatisfied with the Bill and that is the failure to introduce an amendment to substantiate a resolution carried by the Local Government Advisory Committee about two months ago concerning a standard system of rating. I am disappointed, because many of the councils have been more disposed recently to the system of land values rating. It is a kind of hybrid system of rating which would have given great satisfaction to all the councils concerned. I trust an early opportunity will be taken by the Government next year to introduce such a provision. It has been long wanted and will be of great benefit to municipalities. Much has been said about the excellent work of councils and this commendation will be re-echoed by every member. We are aware of the excellent voluntary work they do under very straitened circumstances because of increasing costs in all directions, with no corresponding increases in rates. All councils are struggling for finance and they do not know the best way to go about getting it.

High as rates appear to be, they are still not sufficient to enable councils to carry on necessary developmental work. The Bill contains some excellent features and all that can be said has been said about them. Reference has been made to the clause which will give councils some legal standing regarding blasting operations in their municipalities. Most of my colleagues had an example of this when they accompanied the Mitcham district council on its annual inspection a couple of months ago. People living nearby complain of blasting operations. Under the clause the council will have some power over such operations. The Bill is a good one and I have much pleasure in supporting it.

The Hon. C. R. CUDMORE (Central No. 2)—This is a hardy annual and we always seem to have amendments before us. As Mr. Edmonds pointed out, these amendments come forward from councils to the Local Government Association and are then placed before the Government and eventually before Parliament. There is no need for long debate on the second reading; the various clauses can be discussed in Committee. I am quite interested in some of them, for instance, the clause about putting veterinary hospitals on the same basis as maternity hospitals. I do not know who wants them or why. We have heard nothing about that; and there are many other points in the Bill about which we have been told nothing. Clause 16 rather amuses me. It provides for increasing councils' powers as follows:—

> Section 667 of the principal Act is amended by inserting therein after paragraph (48) thereof the following paragraph:—
>
> (48*a*) For enabling the council by notice in writing to require the owner or occupier of any land within the municipality or any township within the district to remove therefrom any unsightly chattels or any unsightly structure the presence of which is likely to affect adversely the value of adjoining land. . . .

That is very nice, but it is one way traffic. I would like to have that power because the council in which I have property has erected an unsightly structure right opposite my gate which will definitely take away the value of my land. The council is to have its say, but I cannot do anything to stop it. All these matters can be discussed when the Bill is in Committee.

The last clause of the Bill amends the principal Act in all the ways shown in the schedule on pages 8 and 9. They are most extensive amendments. Doubtless the Local Government Association and the Parliamentary Draftsman have checked them over, but I draw attention to them because of their extensive nature. I support the second reading.

The Hon. A. J. MELROSE (Midland)—Members will recall that when we were considering amendments to the Local Government Act last session various suggestions were made relating to the expansion of powers of councils in spending money. It was suggested that they should be allowed to subscribe to almost any organization they felt would work in the interests of their districts. I objected to that

because, from my experience of local government, I know how carefully one has to guard the powers of councils in spending revenue. At the time I felt that such power would enable councils to subscribe to anything from dog races to circuses and I voted against it. Knowing the intention that lies behind the amendment I would unhesitatingly support it if it were clearly and properly drafted. Generally, I approve of the powers set out in the Bill and will support it. Councils will be able to subscribe money to organizations within their own districts. The Bill does not give them an open go to subscribe to anything they like in the State.

The Hon. F. T. PERRY (Central No. 2)—Generally I support the Bill as well as the amendments, recognizing the ability of councils to safeguard ratepayers' interests in the matter of expenditure. I agree with previous speakers that there are times when councils, which are the chief authority in the town or district in which they operate, can give a lead in these matters to the general public. I think that in the main councils safeguard ratepayers' interests very well. Clause 15, which deals with firing and blasting operations in quarries, gives me some concern. There has been some trouble in the district I represent in that regard. The Bill does not alter the law; it merely gives municipal councils the same power as district councils possess. What is meant by regulating and controlling quarries and blasting operations? Presumably these operations cannot be banned. Quarries in the suburban areas, especially in the hills districts, carry on all types of quarrying and blasting, which must necessarily occur if the industry is to continue. Except in one case, where objection has been raised by a ratepayer living near a quarry where blasting is carried on in a minor form, the matter has not cropped up. The actual work of the quarry plant has been held up following a letter received by the district council.

As I read the clause, controlling the force of a blast is to be placed in the hands of councils. It is suggested that there should be a general prohibition of blasting. I have a good opinion of councils generally, but the power to ban the use of the quarry in question might have a far greater effect than is expected. Can banning be done under the phraseology in the Bill? Apparently councils could control the force of a blast so as to make it impossible to work the quarry and I do not know whether we intend to go that far. I understand that there was a High Court case on this question in another State and the ruling was that the phraseology, which is similar to that contained in the Bill, did not prohibit the working of a quarry, but would only control blasting so as not to make it offensive to people in the immediate neighbourhood.

Bill read a second time.

The Hon. L. H. DENSLEY moved—

That is be an instruction to the Committee of the whole Council that it have power to consider a new clause relating to the protection of ramps.

Motion carried.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Proclamation of municipality as a city."

The Hon. C. R. CUDMORE—Clause 4 seems to be a complete contradiction of clause 3. Because of inflated values, as compared with those 10 years ago, a new council cannot be set up until it has £5,000 worth of rates instead of £3,000 worth. Now we are asked to allow a council to become a city when it has a population of 15,000 instead of 20,000, as previously was the case. It appears that somebody has asked that this provision be inserted in the Bill because of what we did in the case of Mount Gambier, where we agreed that country towns with a population of 10,000 could become cities. The provision in the Bill is unnecessary. I do not know how much it adds to the expense of local government when towns of 15,000 population become cities. Unless I hear some reason for the alteration I will oppose it.

The Hon. R. J. RUDALL (Attorney-General)—Certain municipalities desire that they should have the right to become cities. I am sure that there has been some agitation from them in this direction. They are municipalities which, in some cases, have been entirely built over and cannot reach a population of 20,000, but apparently can exceed 15,000. I see no reason why a council cannot be declared a city, if it so desires.

The Hon. C. R. Cudmore—Has any particular request been made?

The Hon. R. J. RUDALL—I understand it has come from municipalities which have a population of over 15,000, but with little chance of reaching 20,000.

The Hon. C. R. Cudmore—The only place I know of that cannot expand is Norwood, and that is already a city.

The Hon. R. J. RUDALL—The honourable member knows the city better than I do, but of course the term "municipality" covers some of the big country towns as well as the metropolitan area. In New South Wales a municipality may be created a city if its population exceeds 15,000. In Victoria a borough with a revenue of not less than £20,000 may be declared a city. In Queensland it may be done on the proclamation of the Governor, but no statutory limit is imposed. In Western Australia a city may be declared if the population is 20,000 and the gross revenue £20,000, so this Bill brings it into line with other States.

Clause passed.

Clauses 5 to 7 passed.

The Hon. F. J. CONDON—I desire to move a new clause dealing with the question of polls.

The CHAIRMAN—I do not think the honourable member can do so without an instruction of the whole Council to the Committee.

The Hon. F. J. CONDON—I accept your ruling, Mr. Chariman, but I point out that it was permitted in another place.

The CHAIRMAN—I am advised that it was done on an instruction.

Clauses 8 to 10 passed.

Clause 11—"Expenditure of council."

The Hon. C. R. CUDMORE—This clause provides, among other things, that a council may expend money for the cost of public functions or entertainments to celebrate the centenary of the introduction of local government within the area of a council, but no limit is placed on such expenditure.

The Hon. R. J. Rudall—Except that it can be only once in a hundred years.

The Hon. C. R. CUDMORE—Another provision, in effect, limits contributions to the Murray Valley Development League to £50 and I am in favour of that. At first glance I was somewhat opposed to the power to make grants to orchestras and bands, but I find that municipal councils already have that power and this puts district councils in the same position, so I shall not object to it.

The Hon. A. J. MELROSE—I support the provision which, in effect, limits grants to the Murray Valley Development League to £50, but I am not inclined to support paragraph (*j*3) because I think it somewhat ridiculous to clutter up the Act by giving councils power to do something once in a century.

Clause passed.

New clause 11*a*—"Protection of ramps."

The Hon. L. H. DENSLEY—I move to insert the following new clause:—

11a. The following section is enacted and inserted in the principal Act after section 355a thereof:—

355b. (1) If any ramp is erected on any public street or road pursuant to section 355a or section 375 and if the council is of opinion that in order to prevent damage to the ramp it is proper so to do, the council may cause to be erected in the vicinity of the ramp notices stating that vehicles exceeding the weight specified therein or that vehicles of any kind specified therein shall not be driven across the ramp.

(2) One such notice shall be placed so that it is clearly visible to traffic approaching the ramp from each direction. Every such notice shall consist of letters not less than one inch in height clearly and legibly painted or printed on a white background.

(3) If any person drives any vehicle across any ramp in contravention of any such notice he shall be guilty of an offence and liable to a penalty not exceeding twenty pounds.

(4) The council shall not be liable for any damage occasioned by the driving of a vehicle across any ramp in contravention of any such notice.

This amendment will protect a council in the event of any damage being done to a ramp or to any vehicle crossing a ramp if the vehicle exceeds the prescribed weight. At present much development is taking place in some of the more sparsely populated areas and, because of the extremely high cost of fencing material, it is becoming the practice to fence one side of the road and place gates or ramps across it. It is obviously necessary that ramps should only be built to the specifications of the district councils and according to the estimated weight of the vehicles which might cross them. Some ramps would not be suitable for bearing the enormous weights which are carried nowadays. The Act requires that a gate shall be placed in a fence where a ramp is provided so that the driver of a vehicle which exceeds the allowable weight can use the gate. An overloaded vehicle may cause damage to the ramp and the council should be protected from claims for damage which is caused by the ramp to a following vehicle. This clause will cover that possibility.

The Hon. R. J. RUDALL (Attorney-General)—Members who travel in country districts realize that ramps are an inconvenience to the travelling public but they are an alternative to the old method of gates when a driver had to get out and open a gate, drive through, then get out again and shut it. When a heavily laden vehicle drives over a ramp it may result in damage to the ramp

and subsequently cause damage to a following vehicle. The question arises as to what degree the district council which authorized the construction of the ramp is liable for any damages. The clause is designed to protect that position and provides that where a ramp is constructed in a road the council may erect notices near the ramp prohibiting the use of the ramp by vehicles over a specified weight or of a specified kind. If a driver of a vehicle heavier than the prescribed weight uses the ramp he is liable to a penalty and if the ramp is used contrary to the notice he will be guilty of an offence and the clause provides that in such a case the council will not be liable for damages. The clause is one members might well accept and I support it.

New clause inserted.

Clauses 12 to 14 passed.

Clause 15—"Quarrying."

The Hon. F. T. PERRY—I believe this clause does not authorize a municipal body to prohibit quarrying operations but I would like to be assured on that point.

The Hon. R. J. RUDALL—It is quite clear that no power is given to prohibit quarrying.

Clause passed.

Remaining clauses (16 to 19) and title passed.

Bill reported with an amendment and Committee's report adopted.

EXCHANGE OF LAND: TOWN OF LOXTON.

Consideration of the following resolution received from the House of Assembly:—

That it is desirable that the governing body of the Loxton Club Hotel transfer the fee simple of allotments 52 and 53, town of Loxton, containing 2 roods 21 perches, to the Minister of Education, who in return will transfer the fee simple of two portions of allotment 41, town of Loxton, containing 3 roods 28 perches, to the governing body of the Loxton Club Hotel.

The Hon. R. J. RUDALL (Attorney-General)—The proposal provides for the governing body of the Loxton Club Hotel to transfer the fee simple of allotments 52 and 53, town of Loxton, containing 2 roods, 21 perches to the Minister of Education, who in return will transfer the fee simple of two portions of allotment 41, containing 3 roods, 28 perches, to the governing body of the Loxton Club Hotel. The hotel authorities desire to obtain separate titles for each of the two portions of allotment 41 as an agreement has been entered into by them with the congregation of St. Peters Lutheran Church by which the church is to purchase the fee simple of the western portion containing 27 perches.

From the Education Department's standpoint, the exchange appears desirable as following the transfer and closing of portion of Mayfield Street, under the Roads (Opening and Closing) Act, a compact playing ground of suitable dimensions will become available for the greatly increased number of school children. The question of exchange has been fully investigated by the Land Board which reports that it is considered that the governing body of the hotel should pay the sum of £141 to equalize such exchange. The board values the fee simple of allotments 52 and 53 together, at £303 and of the two portions of allotment 41, at £444. The Loxton Club Hotel has agreed to pay the sum of £141 and to resell the portion of allotment 41 to St. Peters Lutheran Church for £81, which is the same rate of purchase price as it is paying.

The Hon. J. L. S. BICE (Southern)—There is no need for me to reiterate the facts submitted by the Attorney-General. I communicated with the Loxton district clerk and while this is not a matter for the council he assured me that the council favoured the proposed transaction. The same applies to the Loxton Club Hotel and the St. Peter's Lutheran church. The transaction has been carefully considered and the Loxton people are pleased with it. I support the resolution.

Resolution agreed to.

STAMP DUTIES ACT AMENDMENT BILL (No. 2).

Received from the House of Assembly and read a first time.

HOMES ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. R. J. RUDALL (Attorney-General)—I move—

That this Bill be now read a second time.

The Homes Act, 1941-1951, enables prospective purchasers of homes to be assisted by providing that the Treasurer may guarantee a mortgage loan made by one of the institutions referred to in the Act. Section 7 of the Act provides, among other things, that a guarantee is not to be given by the Treasurer if the interest charged on the loan in respect of any period during which the guarantee is in effect exceeds 4½ per centum in a case where the interest is paid not later than 14 days after it

becomes due, or 5 per centum where the interest is not so paid. In common with other interest rates, the interest rates on mortgage loans have increased and it is necessary that the rates set out in section 7 should be revised. It is therefore proposed by clause 2 to provide that the maximum interest on a guaranteed mortgage loan is to be 5 per centum where the interest is paid within 14 days of the due date and 5½ per centum where the interest is not paid within that time.

These rates, namely 5 per centum and 5½ per centum, are similar to the rates originally enacted in section 7. In 1947, when rates of interest on mortgage loans were appreciably less than the present rates, section 7 was amended to provide for maximum interest rates of 4½ per centum and 5 per centum. The effect of the Bill, therefore, is to restore the legislation, as regards this matter to the form in which it was first enacted.

The Hon. F. J. CONDON secured the adjournment of the debate.

MAINTENANCE ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from November 18. Page 1381.)

The Hon. F. J. CONDON (Leader of the Opposition)—The Maintenance Act of 1926 was amended in 1937 and again in 1950 and it was provided that it should come into operation on a date to be fixed by proclamation. Clause 3 repeals and re-enacts section 25 of the principal Act which deals with the onus of proof as affecting a near relative. The clause makes it more simple and obviates the necessity of calling a wife to give evidence against her husband in certain cases.

Clause 6 deals with remands where a child under the age of eight is charged with being a destitute or neglected child and is committed to the custody of an institution or other place of security. It is an important alteration of the law. At present, if a child is charged in this way and there are two or three adjournments of the hearing, he has to appear before the court each time. This will be overcome by the clause. As regards orders for payment of maintenance, section 48 of the principal Act is amended by deleting the maximum of £1 5s. a week and leaving the amount to be fixed by the court at its discretion.

Clause 5 deals with orders for the payment of confinement expenses. The Act provides that the father of an illegitimate child shall be liable for confinement expenses not exceeding £15. It is proposed to increase that to £25. The function of the Children's Welfare and Public Relief Department is the supervision, care, control and maintenance of destitute and delinquent children who have been declared wards of the State. Payments are made mainly for maintenance of children in the various institutions under the control of the department and for subsidies to foster parents of children who are boarded out with them. The department's main receipts are maintenance fees and proceeds from the sale of produce at the various institutions. I am sure members will agree that various denominational institutions are doing a splendid work in caring for many of these children. I know of many instances where children have got beyond the control of their parents and the institutions have taken an interest in them. I am sure that the work of the institutions will never be forgotten by many young men who have played an important part in the affairs of our State. It is interesting to note that there are fewer children under the department's control today than there were three years ago. It is a good sign and I hope there will be a further reduction as time passes. The main points of the Bill deal with control and maintenance. Owing to increased costs it is necessary to alter the law from time to time. I support the second reading.

The Hon. C. D. ROWE (Midland)—There is little I can say on the Bill, as the main points have been covered very well by Mr. Condon. There are one or two matters dealing with the operation of the Maintenance Act to which I shall refer in a general way. Numerous people are adopting illegitimate children today and it is unfair that in a number of cases the father should escape any further liability for maintenance. On the other hand, the father of an illegitimate child who is not adopted is usually held responsible for maintenance until the child reaches 16. Sometimes I feel that the Act should be amended to ensure that fathers of illegitimate children should be compelled to pay for the consequences of their actions. I compliment people—and there seems to be an increasing number—who have adopted children. I have had experience of people in affluent circumstances who have adopted and treated children extremely well. Their action is to be commended. I shall not deal with the various clauses, which are self-explanatory and have pleasure in supporting the Bill.

Bill read a second time and taken through its remaining stages.

RETURNED SERVICEMEN'S BADGES BILL.

Adjourned debate on second reading.

(Continued from November 18. Page 1351.)

The Hon. C. R. CUDMORE (Central No. 2)—It is regrettable that it should be necessary to introduce such a measure as this to Parliament. This is not a new matter by any means as it was before the State Board of the R.S.L. almost 25 years ago. There have also been approaches to and discussions with the Government at different times. Lately there has been a lowering of our general moral standing and it is felt by the league that something should be done about completely unauthorized persons wearing league badges. I emphasize that this Bill does not refer to genuine returned servicemen who are not financial. They were entitled to their badges in the first place and it is a matter between them and the league whether they remain financial. The Bill will only penalize people who have never had the right to wear a badge but who are doing so for the purposes mentioned by the Minister. The Police Act gives power, if people are taken down by persons wearing the badge, to deal with them, but it is difficult to prove these offences. The purpose of the Bill is to prevent people from wearing a badge to which they are not entitled and imposing on charitable institutions or private individuals. I support the Bill.

The Hon. R. R. WILSON (Northern)—I thank the Government, on behalf of the administration of the R.S.L., for having introduced the Bill and members of both Houses for the consideration they have given to it. Some time ago the Federal Government was asked to introduce similar legislation, but it advised that it was entirely a State matter. Mr. Cudmore has given some reasons why it is necessary to introduce the Bill. It will prohibit unauthorized persons from wearing or possessing a returned soldier's badge, or any badge similar to it. There have been a number of cases recently of persons who never have been members and have not qualified for league membership in any way, wearing the badge. They have not been outside Australia nor in the declared area in the north of the Commonwealth. Usually, when a person wears an R.S.L. badge illegally he does it in order to obtain benefits available from the club and the league and to advertise himself as having served outside Australia during the war.

If a person obtains chattels or other goods falsely by pretending he is a member he can be dealt with under the Criminal Law Consolidation Act. The league is able to expel members for wrongful behaviour but has never been able to prosecute, and it is hoped that the penalties provided will be a deterrent to the practice of unauthorized persons wearing league badges.

Bill read a second time and taken through Committee without amendment. Committee's report adopted.

TRAVELLING STOCK RESERVE: HUNDRED OF RIDLEY.

Consideration of the following resolution received from the House of Assembly:—

That it is desirable that the travelling stock reserve extending from the north-eastern corner of section 180, hundred of Ridley, to the southern-most portion of section 118, in that hundred, containing 1,610 acres approximately as shown on plan lead before Parliament on June 25, 1952, be resumed in terms of section 136 of the Pastoral Act, 1936-1950, for the purpose of being dealt with as Crown lands.

The Hon. R. J. RUDALL (Attorney-General)—The district council of Marne states that this portion of the reserve is a harbour for rabbits and the council has spent a considerable amount of money endeavouring to eradicate vermin, but owing to the dense bushy scrub it is an almost impossible task to cope with the vermin. The council is of opinion that the stock route is useless for travelling stock because it grows no feed and because of the dense undergrowth. A proposal to deal with this reserve was previously laid before Parliament in 1907, 1910 and 1926, but was not approved by both Houses. In view of recent reports by the departmental inspector and the Soil Conservation Adviser of the Department of Agriculture, there appears to be no reason why the resumption should not now be agreed to. The reports show that working from the south-west end it was found that the soils were mainly red sand with limestone outcrops or shell limestone. For the first three miles there were no sandhills and the country on this area would be unlikely to drift if cleared. The remaining seven miles consist of limestone and sandy flats in between fairly high sand ridges. Along parts of the western edge of the scrub sand was blown in from the clear areas and formed fairly high dunes in the scrub. Looking at the area from the point of view of section 12A of the Soil Conservation Act, it is estimated that clearing restrictions would apply to approximately a quarter of the total area.

The Pastoral Board states that this reserve is not used or required for the purposes for which it was dedicated and can see no reason why it should be retained as a travelling stock reserve and recommends that it be resumed with a view to inclusion in the adjoining holdings. It is considered that if this procedure were adopted more effective control over rabbits could be exercised. The Stockowners' Association has advised the department that there is no objection to the land being resumed.

The Hon. J. L. COWAN (Southern)—This travelling stock reserve contains 1,610 acres and, like many other similar reserves, is not now used for the purpose for which it was originally intended and has become a breeding ground for vermin and noxious weeds. All the parties concerned are of the opinion that the area should be resumed so that the land may be dealt with as Crown lands and I therefore support the resolution.

Resolution agreed to.

TRAVELLING STOCK RESERVE: HUNDREDS OF HAY AND SKURRAY.

Consideration of the following resolution received from the House of Assembly:—

That it is desirable that the travelling stock reserve comprising sections 12, 17, 27, 28, 29, 30, 31, 32, and 33, hundred of Hay; and sections 52, 53, 54, 55, and 82, hundred of Skurray, containing an area of 1,114 acres as shown on plan laid before Parliament on June 25, 1952, be resumed in terms of section 136 of the Pastoral Act, 1936-1950, for the purpose of being dealt with as Crown lands.

The Hon. R. J. RUDALL (Attorney-General)—Following an inquiry to lease portion of the area, investigations were made by the department to ascertain whether the area was still required. Reports from the Pastoral Board and the district inspector indicate that the stock route has outlived its usefulness and is not now required for the purposes for which it was dedicated and it was considered it should be offered to persons holding adjoining lands. These persons are using the land as it passes through their respective properties. There is a 3-chain road adjoining the stock route and it is felt it will be sufficient to meet the requirements of the limited number of stock travelling over the route. The Stockowners' Association has advised the department that there is no objection to the land being resumed.

The Hon. A. J. MELROSE (Midland)—The reasons advanced for the resumption of this travelling stock reserve are applicable to most of these cases nowadays. The district council and the members of the Stockowners' Association have come to the conclusion that it is no longer needed for its original purpose. Stock are not longer travelled in flocks as they used to be but are usually transported by rail or motor lorry and therefore some of the stock reserves are no longer needed and become a responsibility to the councils, who are not anxious to spend money on eradicating both animal and vegetable pests. Consequently, if the position can be eased by the resumption of this no longer wanted reserve and its transfer to adjoining landowners that is the best way to deal with it. I support the resolution.

Resolution agreed to.

CRIMINAL LAW CONSOLIDATION ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from November 18. Page 1354.)

The Hon. C. R. CUDMORE (Ceneral No. 2)—This is one of the most important measures we have had to discuss this session. As the Minister pointed out, it originated in the report of the committee appointed to advise the Government on the treatment of sexual offenders, and most of the Bill is connected with that subject. However, the opportunity has been taken by the Government to introduce certain other matters quite outside the ambit of that report, and I propose to deal with those first. Clauses 3, 4 and 5 create a new offence under the Criminal Law Consolidation Act by providing that if upon a trial of a person for manslaughter or for an offence against section 14 of the Act the jury is not satisfied that the accused is guilty of manslaughter but is guilty of an offence of driving a motor vehicle without due care or attention or without reasonable consideration for other persons using the road, or recklessly, or at a speed or in a manner which is dangerous to the public, the jury may bring in a verdict that he is guilty of the offence as to which it is so satisfied and the court may impose a fine not exceeding £100 or imprisonment not exceeding six months. Both the Royal Automobile Association and the Law Society have drawn my attention to the fact that there is a similar offence under the Road Traffic Act, for which the penalty is a fine of only £20. I am not complaining about this clause, which is a good one, but I am pointing out that it will simply remain with the prosecution under which Act they prosecute, and if they do so under the Road Traffic Act only the minor penalty will apply.

The Hon. R. J. Rudall—In these matters the police are advised by the Crown Solicitor's Department.

The Hon. C. R. CUDMORE—That may be so but I think the difference ought to be considered. The second thing introduced by the Government deals with the question of assault and battery. Clause 6 provides that a complaint for assault and battery may be heard and determined summarily and the court may impose a fine not exceeding £100 or imprisonment not exceeding six months. As the Minister explained, there have been difficulties in connection with this offence, but I feel it necessary to mention it because Mr. Condon referred to various penalties and said that he would probably have something more to say on them in Committee. The third matter which is outside the report of the committee is contained in clause 12 and relates to the powers of the Supreme Court in fixing penalties for various offences.

The report, on which the Bill is mainly based, was made by a committee of capable persons consisting of Dr. H. M. Birch, the Superintendent of Mental Institutions, the present Crown Solicitor, Dr. F. H. Beare, nominated by the British Medical Association, and Mr. C. J. Philcox, nominated by the Law Society. They are all people obviously experienced in these matters. I was particularly impressed by a statement early in the report which read:—

> While we are satisfied that there are some cases where medical, and particularly psychiatric treatment could be expected to achieve good results, we would emphasize at once that the idea that sexual offending in general can be cured by this means is a misconception.

They viewed the matter broadly and stated definitely that the question of sexual offences is not one which can be rectified by sending people to a doctor or putting them under psychiatrists. I have always been firmly of the opinion that if, as nature and reason intended, we had under proper control a red light district in this community we would not have all the difficulties associated with sexual offenders. When everybody is repressed there is certain to be trouble in the long run. Our legislation does not draw enough distinction between offences against females under the age of 13 as compared with those between 15 and 17 years. Under the Bill we are adopting the usual general practice of bringing charges of carnal knowledge, indecent assault and other offences into the category of the age of consent being 17. Anyone who has looked into the matter must realize that in a climate like this females mature long before they are 17 and there are numbers of cases when I feel the male is at a great disadvantage because of the precocity of females of the age of 15 or 16 who are . . .

The Hon. R. J. Rudall—More anxious than the male.

The Hon. C. R. CUDMORE—Yes, the female of the species is far deadlier than the male. There is no doubt about that. In other words, *cherchez la femme*. I have always said, in connection with the punishment of sexual offenders, that we should take a more serious view of offences against girls of 13 and under, but when it comes to the question of girls who are quite mature I think 17 is going a bit too far in a climate like ours. I need not labour the position and I do not intend to go into all the detail of the clauses of the Bill which is, after all, an amending measure. I support the Bill but will ask one or two questions in Committee.

The Hon. E. ANTHONEY (Central No. 2)—The Bill is as a result of a long and important inquiry which was more or less forced upon the Government because of the number of cases which were occurring and because the public mind was aroused. I can see no provision in the Bill for dealing with persons who are incurable, and recognized as such by those who inquire into these matters. It is wrong that they should be imprisoned and then turned loose in the community where they can again offend. They should be restrained in an institution at the Governor's pleasure or until such time as they have shown to the authorities that they are capable of exercising complete restraint.

The Hon. A. L. McEwin—You will assist the authorities by suggesting some easy way of doing it.

The Hon. E. ANTHONEY—I realize that finance is important but surely there are things of greater importance and when offences against society are involved the question of money should not come into it. I support the measure and am glad that the Government has introduced this legislation but I hope that something will soon be done to deal with the type of offender I have mentioned.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Power to convict for careless driving on trial for manslaughter, etc."

The Hon. C. R. CUDMORE—Concerning the matter I mentioned earlier, how will this clause work as against section 120 of the Road Traffic Act?

The Hon. R. J. RUDALL (Attorney-General)—It is quite true that the Supreme Court can impose higher penalties for these offences than a court of summary jurisdiction. There is nothing wrong or unusual in that. In almost every minor offence—that is an offence which can be dealt with either by the Supreme Court or a court of summary jurisdiction—the Supreme Court can impose higher penalties than the lower court. The reason is that the cases which go to the Supreme Court are, on the whole, more serious than those dealt with in the lower court. In all the traffic cases which can be dealt with in the Supreme Court—as mentioned in the Bill—a person will have been killed or seriously injured, and no doubt in some cases the accused will have been guilty of serious negligence. It would be wrong to limit the power of the Supreme Court so that it could not impose adequate punishment. I suggest the Supreme Court can safely be entrusted with the powers mentioned in the clause.

Clause passed.

Clauses 4 to 8 passed.

Clause 9—"Power to take plea of guilty without evidence."

The Hon. C. R. CUDMORE—I am not happy about proposed section 57a (1) which reads:—

When a person is charged with carnal knowledge of a girl under 17 years of age, or with indecent assault, the justice sitting to conduct the preliminary examination of the witnesses may, without taking any evidence, accept a plea of guilty and commit the defendant to gaol, or admit him to bail, to appear for sentence.

That means that an ordinary justice of the peace—and any one justice—is being given this authority. It should be a magistrate or justices. We have great respect for the work done by justices, but some are not capable of making up their minds on such matters. Putting this power in their hands is going too far, and I am opposed to it.

The Hon. R. J. RUDALL—If the honourable member further considers the clause he will see there is no danger, because it applies only where there is a plea of guilty. The whole object is to protect the girls, many of whom are of tender age, from having to appear in court to give evidence.

The Hon. F. J. CONDON—In my speech on the second reading I referred to the fines and imprisonment provided for minor cases, and suggested more severe penalties to stamp out certain crimes. After further consideration I do not propose to take any action to increase the penalties, because in addition to the fine provision is made for imprisonment.

Clause passed.

Remaining clauses (10 to 12) and title passed.

Bill reported without amendment and Committee's report adopted.

BUSH FIRES ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. R. J. RUDALL (Attorney-General)—I move—

That this Bill be now read a second time.

The Bill makes a number of amendments to the Bush Fires Act which mainly arise out of recommendations of the Bush Fires Advisory Committee. Sections 4 and 5 of the Bush Fires Act provide that stubble may not be burnt during the summer months unless the various conditions set out in the sections are complied with. These conditions are such as that four men are to be present at the fire, firebreaks must be provided, notice of the intention to burn must be given to the clerk of the council and others, and so on. The purpose of clause 2 is to provide for a relaxation of these conditions where stubble is burnt in an irrigation or drainage channel in an irrigation area. It is considered that, in these circumstances, the danger created by burning off grass in these channels is not comparable to that created elsewhere. Clause 2 therefore provides that it is not to be a contravention of sections 4 and 5 to burn stubble in an irrigation or drainage channel on ratable land within an irrigation area, if the land around the area to be burnt is clear of all inflammable material to a width of 12ft. and if notice of the proposed burning is given to the clerk of the council. The purpose of limiting this provision to channels on ratable land is to provide that the exemption will only apply to irrigable land and will not apply to high lands to which a water supply is not given

Clause 3 provides that, in every case where it is necessary to use a fire rake to burn scrub

on any land, the occupier of the land may, with the consent of a fire control officer, burn the scrub without complying with paragraphs I. and V. of subsection (1) of section 8. In every such case, however, there must be a strip around the land in question cleared of inflammable material to a width of two chains. Paragraph I. of section 8 deals with the firebreak to be provided around the scrub to be burned. This provision requires a space of 15ft. to be cleared which, of course, is something less than that proposed by the clause. Paragraph V. requires four men to be present at the fire so that, in effect, this is the only requirement of section 8 which could be dispensed with under the clause. Section 6 of the Act makes somewhat similar provision where a fire rake is used to burn stubble.

Various sections of the Act provide that if fires are lighted during certain periods, various conditions relating to such as hours of burning, the provision of firebreaks of various sizes and the strips in which burning is to be carried out, must be complied with. Section 11 of the Act provides a method whereby, as regards any particular council area, the burning periods or requisites as to hours or distances may be varied by notice published in the *Gazette*. The purpose of this provision is as follows. In some parts of the State conditions are such that the general rules laid down by the various sections mentioned in section 11 are not the most suitable to bring about the desired end, that is, protection from bush fires. Section 11 does not apply to the provisions of section 13, which provides that it is an offence to light a fire in the open between October 31 and May 1, except after taking the precautions set out in the section. As before mentioned, the power to vary periods given by section 11 does not apply to section 13 although it can occur that the period mentioned in that section is not the most appropriate for a particular area. Clause 4 therefore amends section 11 by including section 13 among the sections in respect of which action may be taken under section 11.

Subsection (1*a*) of section 13 provides that a council may by resolution published in the *Gazette* prohibit within its area or any part thereof the lighting of fires in the open during the period between October 31 and May 1, except at places specified in the resolution. If the council exercises its powers under the subsection its prohibition must apply to the period mentioned in the subsection and to no other period. Clause 5 therefore provides that the council will have power, in a resolution under the subsection, to prescribe a different period to that set out in the subsection.

Clause 6 provides that if a caravan is used for habitation purposes outside a municipality between October 31 and May 1, the person having the possession of the caravan is to be guilty of an offence if the caravan is not equipped with an efficient fire extinguisher. The Bush Fires Advisory Committee suggests that such a precaution is desirable to prevent bush fires.

Subsection (6*b*) of section 29 of the Act requires a council to insure its fire control officers and any person who is appointed by the council as a member of the crew of a trailer pump which is the property of or under the control of the council. This obligation only applies where the fire control officer or crew member gives his services without salary or wages. The committee suggests that the obligation to insure should apply to members of the crews of all fire fighting appliances of the council as well as trailer pump crews. Clause 7 therefore substitutes fire fighting appliance for "trailer pump" in the subsection. The effect will be that the obligation of the council to insure will extend to members of the crews of all fire fighting appliances who give their services voluntarily.

The Hon. N. L. JUDE secured the adjournment of the debate.

VETERINARY SURGEONS ACT AMENDMENT BILL.

Received from House of Assembly and read a first time.

ADJOURNMENT.

At 11.15 p.m. the Council adjourned until Thursday, November 20, at 2 p.m.